The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

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

Dear God, our Creator, Sustainer, loving heavenly Father, it is awesome to us that You have chosen, called, and commissioned us to be Your blessed people. We thank You for the times we trusted You and received Your blessings of wisdom, strength, and determination. Now hear our longing to know and do Your will in the final negotiations on the budget. There is so much on which we do agree; show us how to come to creative compromise in the issues on which we do not agree.

Give us clear heads and trusting hearts. May we earn a new confidence from the American people by the way we press on expeditiously and with excellence. Now we commit ourselves anew to You. With confidence we thank You in advance for a successful day of debate on the issues before us. When votes are counted may we neither be grim over defeat nor gloat over victory but pull together as Americans who put You and our Nation’s good above all else. In Your all-powerful name, Amen.

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
WASHINGTON, DC, APRIL 6, 2001

To the Senate:

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

STROM THURMOND,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

SCHEDULE

Mr. DOMENICI. Mr. President, today the Senate will immediately resume consideration of the final amendments to the budget resolution. There will be 2 minutes of debate prior to a vote on any of the amendments proposed.

There are, for the information of Senators, between 30 and 40 amendments to be considered during today’s session. We are working with Senators on both sides to see which amendments can be accepted, which will require a rollcall vote, and perhaps which we will not be required to take action on at all.

Senators should be aware that all votes after the first vote will be limited to 10 minutes. Therefore, Members should stay in the Chamber if possible between votes. We are working to vote on final passage by 2:30 or 3 p.m.

I thank my colleagues for their attention.

I yield the floor.

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

Mr. CONRAD. Mr. President, we have looked at the amendments overnight. We still have 42 amendments pending. Between the two sides we have 42 amendments pending. That does not count the leadership wrap-up amendments or the debate on those amendments. So realistically we would be talking about 16 hours of straight voting unless we are able to find some give in the good hearts of our colleagues. I am going to turn to my side of the aisle and urge colleagues on my side to please relent in the interest of getting the business of the Senate done on this budget resolution.

Senator Reid and I have gone to our colleagues and asked them to please refrain from pushing their amendment to a vote. We understand every Senator has a right to take his or her amendment to a vote, but if everyone insists on their absolute right, we are going to be here 16 hours. Truthfully, it would probably be more than that because we have not been able to do three votes an hour.

That is the reality of the situation we confront. We urge our colleagues to try to work with us as the morning proceeds and to reduce amendments.

Mr. WELLSTONE. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. WELLSTONE. Just for the record, would the Senator do me the favor of emphasizing this amendment dealing with veterans’ health care benefits is an amendment from yesterday? I have, indeed, withdrawn my other two amendments, just so colleagues will know that. Will the Senator amplify that?

Mr. CONRAD. I am pleased to say the amendment of the Senator from Minnesota was actually scheduled for last night for a vote and it was held over because of a parliamentary situation that developed last evening. So I am not making this request of the Senator from Minnesota. He has been patient. He has been one who has cooperated and dropped amendments, which we appreciate very much.

I thank the Chair and yield the floor.

Does the chairman wish we go to a quorum call or go to the vote?

Mr. DOMENICI. Mr. President, let me suggest we have three or four Senators we want to talk with on the phone. We may significantly change our numbers. We do not have anything like those—we are one-third of your number or one-fourth.

I believe we ought to proceed. I believe Senator BOND is ready on our side with a second-degree.

Mr. LEAHY. Mr. President, what is the parliamentary situation? I understood we were going to have votes at 9:30?

Mr. DOMENICI. We are ready to go. We will get an amendment up and be ready to go.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 2001—2011

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will immediately resume consideration of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

A 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.)

Pending:

Domenici amendment No. 170, in the nature of a substitute.

● This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Motion to reconsider the vote by which Harkin amendment No. 185 (to amendment No. 170) was agreed to.

Wellstone amendment No. 269 (to amendment No. 170) to increase discretionary funding for veterans' medical care by $1.7 billion in 2002 and each year thereafter to ensure that veterans have access to quality medical care.

AMENDMENT NO. 269

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 2 minutes for debate on the Wellstone amendment No. 269.

Mr. LEAHY. I thank the Chair. The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Colleagues, this amendment adds $1.7 billion to the veterans' health care budget over the next 10 years. The President's budget proposal is a terrible proposal; it leaves so many gaps, there is no question about it. This amendment has the support of AMVETS, VFW, Paralyzed Veterans, Disabled American Veterans, and many colleagues have signed on to it. I especially thank Senator Johnson and Senator Rockefeller.

The problem is between $900 million of medical inflation and then the commitment we made to elderly veterans with the Millennium Program and the commitment for mental health services, hepatitis C, and the commitment to treat veterans who have no health care coverage, this is totally inadequate.

This is not a game. If we are committed to veterans, you are going to vote for this amendment. This really does deal with some of the unmet needs. There are amendments that can come in with less funding, but this is the only way we say thank you to veterans. It is extremely important. I can't think of any more important vote from the point of view of working with a very, very important group of people.

The ACTING PRESIDENT pro tempore. Who seeks time?

Mr. BOND. Mr. President, I yield myself 1 minute on this side to respond to the comments of the proponent of the underlying amendment.

AMENDMENT NO. 351

Mr. President, I send a second-degree amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows: The Senator from Missouri [Mr. Bond] proposes an amendment numbered 351.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: Increase Veterans discretionary spending for FY02)

On page 43, line 16, decrease the amount by $967,000,000.

On page 48, line 8, increase the amount by $967,000,000.

MR. BOND. Mr. President, this underlying amendment, as others before and after, chips away at the tax relief package proposed by the President. All citizens, including our veterans, deserve tax relief. This amendment that I have just offered on behalf of Senator Domenici would increase veterans' discretionary spending for the coming year by almost $2 billion, including a $1.7 billion increase for medical care. This is the highest increase ever; this is the first increase in recent years.

Let me make a point that the President's budget request for VA is an excellent one. This body should recall from previous years that the prior administration proposed to freeze veterans' medical care with no increase at all.

This amendment also provides the highest increase ever for the Veterans' Benefit Administration, where a backlog of claims continues to mount. This is a problem that the prior administration refused to address.

Finally, this amendment does not assume spending beyond fiscal year 2002 because VA has a new administration, new management, and a massive strategic review.

I urge support of the second-degree amendment.

AMENDMENT NO. 269

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President and colleagues, please follow the arithmetic. The President's budget is opposed by so many veterans organizations.

With $1 billion for the whole VA budget, medical inflation alone is $900 million. We passed a millennial bill with a commitment to elderly veterans with another $100 million. We talk about mental health services, and another $100 million for treating veterans with hepatitis C. That provides more resources.

I do not know, in all due respect, where my colleague gets his numbers. I am glad that we have an amendment on the other side of the aisle that calls for a $900 million increase. I am pleased we are pushing this forward. But, in all due respect, the President's budget is no way to say thanks to veterans. Sure, we can take a little bit out of tax cuts with 40 percent going to the top 1 percent and make it easy to commit to veterans' health care.

This is a clear vote. The ACTING PRESIDENT pro tempore. All time has expired.

MR. REID. Mr. President. I ask unanimous consent to speak for 1 minute out of order.

The ACTING PRESIDENT pro tempore. Is there objection?
The amendment (No. 284) was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The amendment (No. 351) was agreed to.

The amendment (No. 350) was agreed to.

The amendment (No. 269) was agreed to.

The amendment (No. 268) was agreed to.

The amendment (No. 267) was agreed to.

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The amendment (No. 160) was agreed to.
contribution to a healthy banking system. I also thank the other cosponsors of this amendment, Mr. BENNETT, Mr. KERRY, Mr. ALLARD, Mr. BAYH, Mr. HUTCHINSON, Mr. GRASSLEY, Mr. MILLER, Ms. COLLINS, Mr. HAGEL, Mr. SCHUMER, Mr. NICKLES, Mr. CORZINE, Mr. JOHNSON, Mr. BUNNING, Mr. DODD, and Mr. NELSON.

The budget resolution before us assumes that the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve will impose new fees on state-chartered bank and bank holding companies. The amendment we are offering will ensure that these new fees will not be assessed.

The proposal included in the budget would amount to a federal tax on state-chartered entities that have already paid their state chartering agencies for the same seven budgets. The Senate amendment would be double-charged, with no added benefit.

The dual-banking system, consisting of both state and national bank charters, has served the United States and its communities well for many years. The current fee structure is identical for state and national banks. They both pay their chartering organization for their examinations. They are also both subject to deposit insurance premiums assessed by the FDIC. Additional fees for state banks will not increase safety and soundness.

Banks should have an option of a federal or state charter, depending upon their particular needs. The new fees assumed to be a part of the budget resolution would reduce the attractiveness of state bank charters, which traditionally have provided a lower-cost alternative to the federal bank charter. The effect would be to drive up costs for both banks and consumers.

Our amendment will help preserve the competitiveness of state-bank charters and maintain the balance of the dual banking system. The amendment would save state banks and bank holding companies approximately $2 billion over 10 years. It would allow these banks to invest this money in their local communities, rather than paying a discriminatory fee.

The Congress has rejected new federal fees on state banks in each of the previous seven budgets. The Senate Banking Committee has consistently opposed this proposal. The major banking associations—the American Bankers Association (ABA), the Independent Community Bankers of America (ICBA), America’s Community Bankers (ACB), the Conference of State Bank Supervisors (CSBS) and the Financial Services Roundtable—have all endorsed the amendment. In addition, the National Governor’s Association and the National Conference of State Legislatures are supporting the amendment.

I urge my colleagues to support this amendment.

I ask unanimous consent that the letter from the National Governor’s Association and the correspondence from other associations be printed in the RECORD.

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


To: Members of the U.S. Senate.


Re: Support Enzi-Carper Amendment to Strike Bank Exam Fees from Budget.

The FY 2002 budget that the Senate is expected to vote on this week would require the Federal Deposit Insurance Corporation (FDIC) and Federal Reserve Board (FRB) to charge for their examinations of state-chartered banks and bank holding companies. Similar language was also included in seven Clinton Administration budgets, but was rejected by Congress each time.

The above-noted national member organizations and trade associations, representing all segments of the U.S. banking industry, are united in opposition to this examination fee requirement. It would impose an unfair, new tax on state-chartered banks and bank holding companies, costing them over $2 billion in the next ten years.

The FDIC and Federal Reserve have had authority to charge examination fees since 1991, but they never have charged such fees and are already financially healthy, self-funded entities. All banking institutions already pay examination fees to their chartering agencies (whether federal or state), as well as deposit insurance premiums to the FDIC. Thus, imposing examination fees on state-chartered banks and bank holding companies would constitute a discriminatory, double fee imposed on these entities simply on the basis of their charter and/or organizational structure. It would also be a threat to the balance of the dual banking system, which has so well served this country by providing much needed diversification to the U.S. economy.

Senator Banking Committee members Mike Enzi (R-Wyoming) and Tom Carper (D-Delaware) will join together to offer an amendment to strike the exam fee proposal in the FY2002 budget. The Governors oppose the imposition of the new fee on the basis that it is discriminatory, costly, and a double fee on the more than 6,000 state-chartered banks and holding institutions in the U.S.

The new fee would only be assessed on state-chartered banks and holding institutions impacting the competitiveness of our dual banking system. The Governors strongly oppose any effort that would penalize the state system for attempting to develop high quality yet cost-effective operations.

The Office of Management and Budget and the Congressional Budget Office have reported that the new fee would cost state-chartered banks and holding institutions two billion dollars over the next ten years. A new fee would also run counter to the declining trend in bank regulatory fees. The Federal Deposit Insurance Corporation (FDIC) has slashed deposit insurance premiums. The Office of Comptroller General has also reduced supervisory fees. Congress rejected seven budget proposals for the previous administration that included these proposed fees.

Although the FDIC and the Federal Reserve Board have statutory authority to charge examination fees since 1991, they have elected not to do so as they are financially healthy, self-funded entities. All banking institutions, including state-chartered banks, already pay examination fees to their chartering agency to conduct examinations. The new fee would not increase the number or quality of these examinations. The fee would also penalize the economic efficiencies that state-chartered banks have gained and are represented in declining examination fees.

Thank you for considering our views on this important matter. If the NGA can assist you in any manner on this issue, please contact Frank J. Principi of the NGA staff at 202-624-7818.

Sincerely,

GROFF, MIKE JOHANNES, Chair, Committee on Economic Development and Commerce.

GORDON S. READEL, Vice Chair, Committee on Economic Development and Commerce.

Mr. CARPER, Mr. President, this budget resolution includes a proposal to require new Federal fees on State-chartered banks and bank holding companies. The amendment that I am offering with Senator Enzi would strike these unnecessary and inequitable fees from the budget.

Currently, the exam fee structure for both federally and State-chartered banks is identical: federally chartered banks pay the Federal Government for their examinations, and State-chartered banks pay States for theirs. Charging State-chartered banks a fee on top of what they already pay does not increase safety and soundness or provide for additional exams. These fees only increase the Federal fisc at the expense of the State banking system.

We have seen State-chartered banks be engines of innovation. As a former
Governor, I believe this is one of the great values of our dual banking system. Under this system, States and the Federal Government independently charter and regulate financial institutions. A key benefit of our dual banking system is that it provides for innovations at both the State and Federal level. In fact, State initiatives have spurred most advances in U.S. bank products and services. Everything from checking accounts to adjustable-rate mortgages, from electronic funds transfers to the powers and structures endorsed by Gramm-Leach-Bliley, originated at the State level. State-chartered banks also play an important role in credit availability and economic development. Additional Federal fees for State banks would stifle the innovation taking place at the State level. The very innovation which benefits all consumers by providing competition and creativity in the marketplace.

On seven prior occasions, Congress has wisely rejected these Federal fee proposals. Last week, the House refused to include these fees in its budget resolution. The Senate Banking Committee also opposed these fees in its views to the Budget Committee. In addition, the American Bankers Association, America’s Community Bankers, the Conference of State Bank Supervisors, the Independent Community Bankers of America, the Financial Services Roundtable, National Conference of State Legislatures, and the National Governors Association all oppose these new fees on State-chartered institutions.

I urge you to support the dual banking system and vote for this amendment to strike these harmful Federal fees.

Mr. DOMENICI. Senator GRAMM asked to address this issue for 30 seconds, and I ask unanimous consent he be permitted.

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

Mr. GRAMM. Mr. President, I ask unanimous consent I be permitted to modify the amendment, and I send a modification to the desk.

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

The amendment, as modified, is as follows:

For the purpose of reducing greenhouse gas emissions, addressing global climate change concerns, protecting the global environment, and promoting domestic energy security; to provide increased funding for voluntary programs that will reduce greenhouse gas emissions in the near term; to provide increased funding for a range of energy resources and energy efficiency programs; to provide increased funding to ensure adequate U.S. participation in negotiations that are conducted pursuant to the United Nations Framework Convention on Climate Change; to provide increased funding to encourage developing nations to reduce greenhouse gas emissions; and, to provide increased funding for programs to assist U.S. businesses exporting clean energy technologies to developing nations.

On page 5, line 8, decrease the amount by $50,000,000.
On page 5, line 9, decrease the amount by $450,000,000.
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On page 17, line 15, increase the amount by $205,000,000.
On page 17, line 23, increase the amount by $60,000,000.
On page 17, line 24, increase the amount by $60,000,000.
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On page 20, line 23, increase the amount by $45,000,000.
On page 21, line 2, increase the amount by $45,000,000.
On page 21, line 3, increase the amount by $45,000,000.
On page 21, line 6, increase the amount by $45,000,000.
On page 21, line 7, increase the amount by $45,000,000.
On page 23, line 15, decrease the amount by $369,000,000.
On page 23, line 16, decrease the amount by $369,000,000.
On page 28, line 8, increase the amount by $50,000,000.
On page 28, line 9, increase the amount by $50,000,000.

Mr. KERRY. Let me say to my colleagues, this is an amendment to add money back on behalf of Senator LIEBERMAN, Senator COLLINS, and others, to the areas which we have already funded, to try to determine what we can do to understand global warming better, to fund new technologies, and to fund the export of American products with respect to those technologies. There is no unauthorized plan in this. There is nothing whatever to do with Kyoto. It is all preauthorized, existing programs, which we bring back to a funding level which most people think is appropriate, $4.5 billion over 10 years. It does not come out of the tax cut; it comes out of the contingency funds. I hope on a bipartisan basis we could signal our approval of the efforts to continue to understand the impact of global climate change on the technologies which can help us respond.

Mr. President, there is a world-wide consensus among climate scientists that global average temperature will rise over the next 100 years if greenhouse gas emissions continue to grow. Scientists report that some of the signs of this warming are already evident: the 90s was the hottest decade on record; glaciers around the world are receding at record rates; 1,000 square miles of the Larsen ice shelf in Antarctica melted into the ocean; Arctic sea ice has thinned by 40 percent in only 20 years; and ocean temperatures throughout the world are rising. And scientists warn that the potential impacts of global warming include the intensification of floods, storms and droughts; the dislocation of millions of people; the spread of tropical diseases; destructive sea level rise; the die-off of species; the loss of forests, coral reefs and other ecosystems and other far reaching and adverse impacts.

To address the threat of global warming, the U.S. has invested in a range of programs aimed at understanding the global climate, reducing greenhouse gas emissions and other pollutants, saving energy and money, spurring innovation in energy technologies, and sequestering carbon. At the same time, we have engaged internationally to encourage the global use of clean energy technologies developed and manufactured here in the U.S. and to craft an international solution to the threat of climate change. Unfortunately, overall funding levels in the Bush budget proposal and press reports of Administration budgeting plans make clear that these important programs are facing drastic cuts—cuts that could cripple even these minimal efforts to understand and mitigate climate change.

The Climate Change Amendment increases budget authority by $4.5 billion over 10 years to make up for anticipated cuts to these essential programs. The increased budget authority in the amendment is offset by an equal reduction in the proposed Bush tax cut that amounts to a mere three-tenths of 1 percent of the overall tax cut.

The Climate Change Amendment provides additional budget authority of $4.5 billion over 10 years. It is offset by a reduction in the Bush tax cut of three-tenths of 1 percent. The additional budget authority is allocated to existing programs with that description.

International Affairs—Function 150: The amendment increases budget authority by $500 million for 10 years. The increase is to offset cuts to the
Global Environment Facility, USAID, State Department offices engaged in international negotiations on climate change programs. The GEF forges international cooperation to address critical threats to the global environment, including climate change but providing financial and technical assistance primarily in developing nations. USAID programs accelerate the development and deployment of clean energy technologies around the world and assist U.S. manufacturers in establishing a position in a clean energy market that it expects to total $5 trillion over the next 20 years. Additional authority for the State Department is to ensure that the budget includes sufficient funding for the U.S. to fully engage with the international community in on-going and highly complex negotiations pursuant to the UN Framework Convention on Climate Change.

Science, Space and Technology—Function 250: The amendment increases budget authority by $500 million over 10 years. The increase is to offset cuts to programs like the United States Global Change Research Program and similar efforts that provide basic and essential research into the global climate system and how pollution may be impacting it. The program is working to improve climate observations and our understanding of the global water cycle, ecosystem changes and the carbon cycle. It is a multi-agency effort that draws on the expertise of USDA, NASA, Energy, NOAA and other agencies. This research is fundamental to understanding and responding to the threat of global warming.

Energy—Function 270: The amendment increases budget authority by $2 billion over 10 years. The increase is to offset cuts in energy efficiency, renewable energy and other programs at the Department of Energy that reduce greenhouse gas emissions and save consumers money. These programs are the cornerstone of the U.S. effort to produce clean energy through technological innovation. They include the research, development and deployment of solar, wind, biomass, geothermal and other renewable power and technologies that will increase efficiency and reduce pollution from fossil fuel energy sources. The increased authority will also offset cuts to energy efficiency programs that cut energy use, reduce pollution and save consumers money. These programs also strengthen U.S. energy security by reducing demand and increasing clean domestic energy production.

Natural Resources—Function 300: The amendment increases budget authority by $1 billion over 10 years. The increase is to offset cuts in a range of programs that reduce greenhouse gas emissions, save energy and provide essential research. The Environmental Protection Agency has established several successful, incentive-based, non-regulatory programs to reduce emissions and save energy and provide essential research. The EnergyStar labeling program for products ranging from computers to refrigerators. Similar programs achieve emissions reductions through increased building efficiency, business-wide efficiencies and increased transportation efficiency. Also included in this increased budget authority is funding to offset cuts to the U.S. Forest Service and NOAA programs investigating carbon sequestration and basic research into the global climate.

Agriculture—Function 350: The amendment increases budget authority by $450 million over 10 years. The increase is to offset cuts to programs that develop technologies that can produce energy from switchgrass, agricultural waste, timber waste and other biomass. These bioenergy technologies produce very low or no net greenhouse gas emissions and provide a market for U.S. farm products. Also offset are cuts to USDA programs. I would mention different farming practices and farmland conservation can increase carbon sequestration and reduce atmospheric concentrations.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are trying to work on this issue for a couple of months. It will not take us long. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wish to urge the Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask Senator Jeffords be added as a co-sponsor, as well as Senators Lieberman, Reid, Bingaman, Landrieu, Cantwell, Biden, Kennedy, Feinstein, Murray, Leahy, and Collins.

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

The Senator from New Mexico.

Mr. DOMENICI. And the primary sponsor and those co-sponsoring it will accept a voice vote. Is that the case?

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Senator from Massachusetts has been here all week working on this amendment. It is one of the most important issues we have taken up all week. The Senator from Massachusetts and the Senator from Maine should be complimented for their brilliant work on this piece of legislation.

Mr. LIEBERMAN. Mr. President, I rise today in support of the amendment sponsored by my distinguished colleagues from Massachusetts and Maine to ensure full funding of all Federal programs that reduce emissions and increase energy efficiency. These programs also strengthen the economy and provide energy savings to the American consumer.

Mr. KERRY. Mr. President, I ask unanimous consent that the record be extended for five minutes for the Senator from New Mexico.

As the latest scientific report reminds us, this threat is being driven by our own behavior. Let me quote the scientists directly. “There is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities.” Mr. President, human beings have added more than three billion tons of carbon to the atmosphere every year at the past two decades. More amazing, and more disturbing, is the fact that current levels of carbon dioxide are likely the highest they have been in 20 million years of...
The amendment is as follows:

(Purpose: To provide an increase of $1,500,000,000 for the Department of Justice programs for State and local law enforcement assistance)

(a) FINDINGS.—The Senate finds that—

(1) the national rate of serious crime dropped for the last 8 years in a row;

(2) the national rate of violent crime, including murders, robberies, and rapes, is at its lowest level since 1978;

(3) the success in reducing serious crime and violent crime rates across the Nation is enhanced in large measure by the partnership between the Department of Justice and State and local law enforcement agencies and benefits from Department of Justice programs for State and local law enforcement assistance;

(4) On February 28, 2001, President George W. Bush submitted to Congress the Administration's budget highlights, "A Blueprint For New Beginnings," which proposed "re-directing" $1,500,000,000 out of a total of $4,600,000,000 that has been dedicated for Department of Justice programs for State and local law enforcement assistance;

(5) for fiscal year 2001, Congress appropriated $253,000,000 for the Local Law Enforcement Block Grant Program, including $60,000,000 to the Boys and Girls Clubs of America for grants to Boys and Girls Clubs across the Nation, within the Department of Justice programs for State and local law enforcement assistance;

(6) for fiscal year 2001, Congress appropriated $25,500,000 for the Bulletproof Vest Partnership Grant Program for fiscal year 2001 within the Department of Justice programs for State and local law enforcement assistance;

(7) for fiscal year 2001, Congress appropriated $561,060,000 for the Edward Byrne Memorial State and Local Assistance Program for Byrne discretionary and formula grants within the Department of Justice programs for State and local law enforcement assistance;

(8) for fiscal year 2001, Congress appropriated $868,500,000 for State prison grants, including the Violent Offender Incarceration Grant Program and Truth-In-Sentencing Incentive Program, within the Department of Justice programs for State and local law enforcement assistance;

(9) for fiscal year 2001, Congress appropriated $250,000,000 for the Violence Against Women Act of 2000 (Public Law 106–386) to authorized grants of approximately $390,000,000 for grants to support the Violence Against Women Act for fiscal year 2002 within the Department of Justice programs for State and local law enforcement assistance;

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this resolution assume an increase of $1,500,000,000 for fiscal year 2002 for the following Department of Justice programs for State and local law enforcement assistance, and consistent with previous appropriated and authorized levels: Local Law Enforcement Block Grant Program; Boys and Girls Clubs of America Grant Program; Bulletproof Vest Partnership Grant Program; Edward Byrne Memorial State and Local Assistance Program; Violent Offender Incarceration Grant Program; Truth-In-Sentencing Prison Grant Program; Truth-In-Sentencing Prison Grant Program; Women Act within the Department of Justice programs for State and local law enforcement assistance.

Our amendment pays for these additional funds for our State and local law enforcement assistance.

Mr. LEAHY. I ask unanimous consent to agree to the amendment numbered 238.

Mr. LEAHY. Mr. President, on behalf of Senator HARKIN and myself, I call up amendment 238.

Mr. LEAHY. I ask unanimous consent to report the amendment to dispense with.

The PRESIDING OFFICER. The motion was agreed to.

The PRESIDING OFFICER. The amendment is numbered 238.
crime-fighting partners from the surplus funds in the budget resolution’s continuing appropriation for Department of Justice funding.

Senator HARKIN and I are concerned that the Senate is being called upon this week to vote on the Federal budget without having seen a detailed submission of where the Bush Administration may propose cuts in law enforcement programs.

I, for one, would hate to see cuts in our federal assistance to State and local law enforcement. Those programs to help acquire bulletproof vests, reduce DNA backlogs, encourage modern communications, provide modern crime labs, and place cops on the beat have been so helpful to our crime control efforts.

Under Attorney General Reno, and due in part to her emphasis on a coordinated effort with State and local law enforcement, crime rates fell in each of the past 8 years. Violent crimes, including murder and rape, have been reduced to the lowest levels in decades, since before the Reagan Administration. In fact, the national rate of violent crime is at its lowest level since 1978.

We need to redouble our efforts, not cut them short or leave them short of funds.

Unfortunately, President Bush’s budget highlights in his “Blueprint for New Beginnings” appears to call for cutting federal assistance to State and local law enforcement by 30 percent—by “redirecting” $1.5 billion in Department of Justice programs for state and local law enforcement assistance.

This is quite troubling.

In addition, this budget resolution cuts $7.5 billion in Department of Justice funding over the next 5 years when compared to the Congressional Budget Office baseline. Over the next 10 years, this budget resolution cuts $19 billion in Department of Justice funding when compared to the CBO baseline.

Why does this budget resolution cut funding for the Department of Justice? With school shootings continuing across the country and the use of heroin, methamphetamine and other dangerous drugs in rural and urban settings, now is not the time to be “redirecting” $1.5 billion away from federal assistance to State and local law enforcement.

Now is not the time to be pulling back from the strong national commitment we should be making to continue to assist those on the front lines in the fight against crime and battle over illegal drugs.

The success in reducing serious crime and violent crime across the nation is due in large part to the crime-fighting partnership between the Department of Justice and state and local law enforcement agencies, which benefits from Department of Justice state and local law enforcement assistance.

We should all remember the bipartisan success stories that make up the Department of Justice’s state and local law enforcement assistance programs. For example, last year Congress appropriated $60 million to the Boys and Girls Clubs of America for grants to Boys and Girls Clubs across the nation within the Department of Justice’s programs for state and local law enforcement assistance. In Vermont and every other state in the nation, Boys and Girls Clubs are a great and growing success in preventing crime and supporting our children.

In FY 2001, Congress appropriated $230 million for the Local Law Enforcement Block Grant Program within the Department of Justice’s programs for state and local law enforcement assistance programs.

Republicans and Democrats support this essential block grant for law enforcement opt-in. Block grants need to be increased for state and local police departments. The Department of Justice’s programs for state and local law enforcement assistance include the Bulletproof Vest Partnership Grant Program.

In FY 2001, Congress appropriated $569 million for the Edward Byrne Memorial State and Local Assistance Program for Byrne discretionary and formula grants within the Department of Justice’s programs for state and local law enforcement assistance programs.

In Vermont, the Department of Public Safety receives about $2 million in Byrne Program funding a year to maintain the Vermont Drug Task Force to combat heroin and other illegal drugs. Byrne grants fund drug task forces in many other states as well.

The Department of Justice’s programs for state and local law enforcement assistance also include such proven crime-fighting and drug-prevention programs as the Violent Offender Incarceration Program Grant Program; Truth-In-Sentencing Incentive Prison Grant Program; Juvenile Accountability Incentive Block Grant Program; COPS Program; Violence Against Women Act; Crime Identification Technology Act; and Juvenile Justice and Delinquency Prevention Programs.

Moreover, this year’s budget request for Department of Justice state and local law enforcement assistance should include new bipartisan crime-fighting programs that Congress passed last year. In 2000, on a bipartisan basis, the Senate and House passed the Computer Crime Enforcement Act, the DNA Analysis Backlog Elimination Act and the Paul Coverdell National Forensic Science Improvement Act.

These Department of Justice programs are needed to support our national security and public safety.

Mr. President, I urge the Senate to adopt the Leahy-Harkin amendment to increase funding by $1.5 billion for the 2002 fiscal year for the Department of Justice programs for state and local law enforcement assistance.

I yield to my friend from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, these are the programs that go right down to our local cops on the beat in our towns and communities all over America, especially the Byrne grant program, which has done much in my State and in the upper Midwest to fight the methamphetamine plague that has surged all over this country. The Bush budget cuts it out—a $1.5 billion short-fall. The Leahy amendment puts that money back to help support local law enforcement.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to the distinguished Senators who offered the amendment, I think their intentions are wonderful, but essentially all we are doing is adding more money to the appropriated accounts. No matter what anybody says is it going to be used for, it will not be used for that: it will be used for what the appropriators say.

With that in mind, we accept the amendment if they do not insist on a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LEAHY. I ask unanimous consent that the Senator from Minnesota be added as a cosponsor.

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

The question is on agreeing to the amendment.

The amendment (No. 238) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to try to take up six amendments here—three on our side, three on their side. They do not affect the appropriations, total appropriations, because they are offsets within the budget, each one, for the amount that is being sought.

Can we proceed with Senator Smith, No. 217, in that regard? Is there objection to that?

Mr. CONRAD. We have no objection to Smith amendment No. 217.

The PRESIDING OFFICER. The clerk will report.
The legislative clerk read as follows:

The Senator from Oregon [Mr. Smith] for himself, Mrs. Clinton, Mrs. Snowe, Mr. Collins, and Mr. Sartaneks, proposes and amendment numbered 217.

The amendment is as follows:

(Purpose: To promote public health, to improve water quality in the nation’s rivers, lakes, and estuaries, to promote endangered species recovery, and to work toward elimination of the nation’s extensive wastewater infrastructure needs for increasing funding for wastewater infrastructure in fiscal year 2002 in an amount that will allow funding for the state water pollution control revolving funds at an amount equal to the amount appropriated in fiscal year 2001 and to fully fund grants to address municipal combined sewer and sanitary sewer overflows)

On page 17, line 23 increase the amount by $800,000,000.

On page 17, line 24 increase the amount by $800,000,000.

On page 43, line 15 decrease the amount by $800,000,000.

On page 43, line 16 decrease the amount by $800,000,000.

Mrs. Clinton. Mr. President, I am pleased to join today with my colleagues, Senators Smith of Oregon, Collins, Snowe, Sarbanes and Bayh to provide additional funding that will help meet our Nation’s critical wastewater infrastructure needs.

Specifically, this amendment provides an additional $800 million in fiscal year 2002 for wastewater infrastructure projects, including $50 million for the Clean Water State Revolving Fund and $750 million to fully fund the new grant program authorized under the Wet Weather Water Quality Act of 2000.

These new grants will help municipalities address one of our largest remaining water quality challenges, combined and sanitary sewer overflows. The slow flows remain the leading cause of beach closures across the country, putting public health at risk and robbing communities of millions of tourism dollars annually.

This is a real problem in New York where so many cities, big and small, are confronted with pipe and equipment failures or have undersized systems that can’t meet the increased demands of their growing populations. According to EPA’s most recent estimates, there is a 20-year need of $130 billion for wastewater infrastructure nationwide. And this doesn’t even account for the funding needed to adequately address the sanitary sewer overflows problems facing our communities.

This amendment is an important first step towards meeting our country’s enormous water infrastructure needs. This amendment will ensure that our beaches are safer for swimming. And it will lead to significant improvements in the quality of the nation’s rivers, lakes, bays and estuaries.

Mr. Smith of Oregon. Mr. President, I rise today to offer an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment will increase the amount available to fully fund the sewer overflow control grants program at a level of $750 million for FY2002. It is important that Congress makes this level of commitment to clean water for a number of reasons.

The condition of our nation’s wastewater collection and treatment facilities is alarming. In its 1996 “Clean Water Needs Survey,” the EPA estimates that nearly $140 billion will be needed over the next 20 years to address wastewater infrastructure problems in our communities. In March 1999, the EPA revised its figures, infrastructure needs are now estimated at $200 billion. Other independent studies indicate that EPA has undershot the mark, estimating that these unmet needs must make a full commitment to clean water.

In my state of Oregon, the challenge of municipal water treatment is ever-present. Roughly seventy percent of Oregon’s population lives in the Willamette River watershed, with other communities throughout the increasing demand on water supply and treatment is made even more acute by the responsibility to protect endangered salmon and steelhead in the Willamette River. Add to that the extremely low water and poor snowpack conditions facing the Northwest this year, and the urgency of maintaining high water quality in the river is greatly intensified.

The city of Portland is Oregon’s largest, and its proximity to the Willamette River has been a contributor to water quality problems. At its worst, Portland’s combined sewage overflow system dumped an estimated 10 billion gallons of combined sewage annually into the river in years past. During the past 20 years, however, Portland has invested over $300 million in clean water infrastructure, and will spend another $300 million in the next 5 years to meet its obligations under the Clean Water Act. I am working closely with the City of Portland to infuse targeted federal funds into its unique efforts to meet rigorous environmental requirements and responsibilities.

I am sponsoring this amendment because I strongly believe that Congress must make a firm commitment to helping cities like Portland, OR that are fully engaged in updating and improving their water treatment programs. The effects of such a commitment will be manifold, particularly upon a river like the Willamette that is long measured, but heavily used by the many that derive their lives and livelihood from it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 217) was agreed to.

Mr. DOMENICI. 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. CONRAD. Mr. President, could we have order in the Chamber?

The PRESIDING OFFICER. There will be order in the Chamber, please. Senators please take your seats.

Is this a motion to vote on these amendments en bloc or separately?

Mr. DOMENICI. If the Senator is willing, I would like to do them en bloc.

Mr. CONRAD. We would be willing to do them en bloc as well.

The PRESIDING OFFICER. Without objection, the Senator from North Dakota.

Mr. CONRAD. Let me go back to the chairman for the next amendment that would be in this en bloc group.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DOMENICI. Have we accepted 217?

The PRESIDING OFFICER. We have accepted 217.

AMENDMENTS NOS. 334, 236, 196, 244, AND 335, EN UNION

Mr. DOMENICI. The five amendments I ask be called up and then be considered en bloc for voice vote are Inhofe No. 334, DeWine No. 236, Dorgan No. 196, Mikulski No. 244, and Nelson of Florida No. 335.

The amendments are as follows:

AMENDMENT NO. 334

(Purpose: To increase Impact Aid funding to $1,293,302,000)
narcotics interdiction mission which was authorized under the Western Hemisphere Drug Elimination Act;
(2) reduce the number of personnel of an already streamlined workforce; and
(3) reduce operations in a manner that would have a detrimental impact on the sustainability of valuable fish stocks in the North Atlantic and Pacific Northwest and its capacity to stem the flow of illicit drugs and illegal immigration into the United States.

AMENDMENT NO. 196
(Purpose: To increase the amount of funding for the trade enforcement programs of the International Trade Administration)
On page 4, line 2, increase the amount by $40,000,000.
On page 4, line 3, increase the amount by $55,000,000.
On page 4, line 4, increase the amount by $70,000,000.
On page 4, line 5, increase the amount by $70,000,000.
On page 4, line 6, increase the amount by $70,000,000.
On page 4, line 7, increase the amount by $70,000,000.
On page 4, line 8, increase the amount by $70,000,000.
On page 4, line 9, increase the amount by $70,000,000.
On page 4, line 10, increase the amount by $70,000,000.
On page 4, line 11, increase the amount by $70,000,000.
On page 4, line 12, increase the amount by $70,000,000.
On page 4, line 13, increase the amount by $70,000,000.
On page 4, line 14, increase the amount by $70,000,000.
On page 4, line 15, increase the amount by $70,000,000.
On page 4, line 16, increase the amount by $70,000,000.
On page 4, line 17, increase the amount by $70,000,000.
On page 4, line 18, increase the amount by $70,000,000.
On page 4, line 19, increase the amount by $70,000,000.
On page 4, line 20, increase the amount by $70,000,000.
On page 4, line 21, increase the amount by $70,000,000.
On page 4, line 22, increase the amount by $70,000,000.
On page 4, line 23, increase the amount by $70,000,000.
On page 5, line 1, increase the amount by $40,000,000.
On page 5, line 2, increase the amount by $55,000,000.
On page 5, line 3, increase the amount by $70,000,000.
On page 5, line 4, increase the amount by $70,000,000.
On page 5, line 5, increase the amount by $70,000,000.
On page 5, line 6, increase the amount by $70,000,000.
On page 5, line 7, increase the amount by $70,000,000.
On page 5, line 8, increase the amount by $40,000,000.
On page 5, line 9, increase the amount by $55,000,000.
On page 5, line 10, increase the amount by $70,000,000.
On page 5, line 11, increase the amount by $70,000,000.
On page 5, line 12, increase the amount by $70,000,000.
On page 5, line 13, decrease the amount by $70,000,000.
On page 5, line 14, decrease the amount by $70,000,000.
On page 5, line 15, decrease the amount by $70,000,000.
On page 5, line 16, decrease the amount by $70,000,000.
On page 5, line 17, decrease the amount by $70,000,000.
On page 5, line 18, decrease the amount by $70,000,000.
On page 5, line 19, decrease the amount by $70,000,000.
On page 5, line 20, decrease the amount by $70,000,000.
On page 5, line 21, decrease the amount by $70,000,000.
On page 5, line 22, decrease the amount by $70,000,000.
On page 5, line 23, decrease the amount by $70,000,000.
On page 5, line 24, decrease the amount by $70,000,000.

AMENDMENT NO. 234
(Purpose: To increase education technology funding to $1.5 billion per year)
On page 27, line 3, increase the amount by $628,000,000.
On page 27, line 4, increase the amount by $35,000,000.
On page 27, line 7, increase the amount by $657,000,000.
On page 27, line 8, increase the amount by $438,000,000.
On page 27, line 11, increase the amount by $657,000,000.
On page 27, line 12, increase the amount by $619,000,000.
On page 27, line 15, increase the amount by $716,000,000.
On page 27, line 16, increase the amount by $678,000,000.
On page 27, line 19, increase the amount by $747,000,000.
On page 27, line 20, increase the amount by $707,000,000.
On page 27, line 23, increase the amount by $788,000,000.
On page 27, line 24, increase the amount by $738,000,000.
On page 28, line 2, increase the amount by $808,000,000.
On page 28, line 3, increase the amount by $811,000,000.
On page 28, line 6, increase the amount by $707,000,000.
On page 28, line 7, increase the amount by $707,000,000.
On page 28, line 10, increase the amount by $831,000,000.
On page 28, line 14, increase the amount by $861,000,000.
On page 28, line 15, increase the amount by $857,000,000.
On page 28, line 16, increase the amount by $35,000,000.
On page 28, line 19, increase the amount by $657,000,000.
On page 28, line 20, decrease the amount by $538,000,000.
On page 28, line 23, decrease the amount by $578,000,000.
On page 28, line 24, decrease the amount by $581,000,000.
On page 28, line 25, increase the amount by $70,000,000.
ON CONGRESSIONAL RECORD—SENATE

April 6, 2001

Mr. DeWINE. Mr. President, I thank the chairman and ranking member of the Budget Committee, Senators DOMENICI and CONRAD, for working with me, Senator GRAHAM from Florida, Senator SAXBEY from Maine, and so many others in support of our amendment that would provide additional assistance for one of our most important agencies, the U.S. Coast Guard.

The Coast Guard has faced significant funding shortfalls, which are directly impacting its operations on an annual basis. Because of funding shortfalls in the current fiscal year, the Coast Guard has faced significant budget shortfalls and restore operations by 30 percent in the second quarter of this year. If funding shortfalls go unaddressed, the Coast Guard anticipates cutting operations by 10 percent in the third and fourth quarters. To address budget shortfalls and restore vital operations, the Coast Guard has requested $91 million in supplemental funding from the Office of Management and Budget.

The same thing happened last year. The Coast Guard was forced to reduce operations by 30 percent last summer, and Congress again had to come to the rescue with $77 million in supplemental funding to provide the Coast Guard with the resources necessary to restore normal operations through the normal budget and appropriations process.

We need to provide the Coast Guard with the resources necessary to restore normal ongoing mission operations through the normal budget and appropriations process. We need to adequately fund the Coast Guard on an annual basis so the American people can have the services that they not only expect, but require from our Coast Guard.

Drug interdiction is one of those services and one of our Coast Guard’s most important missions. As my colleagues all know, the problem of trafficking in drugs is a national and international challenge that threatens our communities here at home, as well as many fragile democracies in the Caribbean and South and Central America.

I am very pleased to report, however, that with the help of additional funding provided by the Western Hemisphere Drug Elimination Act, WHDEA, which my dear friend, the late Senator Coverdell and Senators GRASSLEY, GRAHAM, and I sponsored, our Coast Guard has increased its drug seizures by an astounding 60 percent over the last two years.

As my colleagues may recall, we passed the Western Hemisphere Drug Elimination Act as part of the Fiscal Year 1999 Omnibus Appropriations Bill. Through this legislation, we were able to allocate an additional $844 million to upgrade U.S. counter-drug and interdiction programs. Out of this funding, the Coast Guard received $276 million. As a result of this investment, our Coast Guard went from seizing 82,623 pounds of cocaine in Fiscal Year 1998 to seizing 132,800 pounds in Fiscal Year 2000 at an estimated street value

On page 44, line 2, decrease the amount by $716,000,000.
On page 44, line 3, decrease the amount by $878,000,000.
On page 44, line 6, decrease the amount by $841,000,000.
On page 44, line 7, decrease the amount by $707,000,000.
On page 44, line 10, decrease the amount by $738,000,000.
On page 44, line 11, decrease the amount by $788,000,000.
On page 44, line 14, decrease the amount by $808,000,000.
On page 44, line 15, decrease the amount by $738,000,000.
On page 44, line 18, decrease the amount by $841,000,000.
On page 44, line 19, decrease the amount by $799,000,000.
On page 44, line 22, decrease the amount by $873,000,000.
On page 44, line 23, decrease the amount by $831,000,000.
On page 45, line 2, decrease the amount by $907,000,000.
On page 45, line 3, decrease the amount by $864,000,000.

AMENDMENT NO. 286

Ms. MIKULSKI. Mr. President, I call up amendment number 244 on behalf of myself and my cosponsors—Senators BINGAMAN, BOXER, KENNEDY, LEVIN, and SARBANES. My amendment is very simple: it provides $1.5 billion annually for education technology programs, and will be offset by a reduction in the tax cut. It will give every American child a “digital opportunity ladder” to climb to success, as well as help every child to be computer literate by the 6th grade, regardless of race, ethnicity, income, gender, geography, or disability.

My amendment does 3 things: it provides $1 billion a year for consolidated education technology programs, which will go to states based on formula grants. Schools could use these funds for almost any technology-related activity: wiring, hardware, software, training, maintenance or repair.

Second, my amendment doubles teacher training funds by adding $400 million per year for the next ten years. Teachers want to help their students cross the digital divide but less than 20 percent of them feel confident using technology in their daily lesson plans. Technology without training is a hollow opportunity.

Finally, my amendment also provides $100 million to create one thousand community technology centers. Community technology centers are necessary because kids don’t just learn in school—they also learn in their communities. Technology centers make it easier for children to do their homework or to surf the web under adult supervision, and also make it easier for parents to upgrade their skills or write a resume.

The opportunities here are tremendous: to use technology to improve our lives, to use technology to remove barriers such as income, race, ethnicity, or geography. Every student in America should have access to a digital opportunity ladder. My amendment does that and I urge my colleagues’ support.

AMENDMENT NO. 385

Mr. DeWINE. Mr. President, I thank the chairman and ranking member of the Budget Committee, Senators DOMENICI and CONRAD, for working with me, Senator GRAHAM from Florida, Senator SOWBY from Maine, and so many others in support of our amendment that would provide additional assistance for one of our most important agencies, the U.S. Coast Guard.

The amendment we have offered would provide an additional $250 million increase in Coast Guard operating expenses above the fiscal year 2002 level recommended by the President. The House has included this $250 million increase in its budget resolution, and I am pleased that the Senate will do the same.

Over the past few years, our Coast Guard has faced significant funding shortfalls, which are directly impacting its operations through the normal budget and appropriations process. We need to adequately fund the Coast Guard on an annual basis so the American people can have the services that they not only expect, but require from our Coast Guard.

The Coast Guard is reaching the point where it is stretched so thin and the condition of its equipment is so poor that it is essentially cannibalizing equipment for parts, deferring maintenance and working overtime—and this is just to sustain daily operations. This doesn’t even take into account rapidly rising fuel costs, which have been exacerbating problems this fiscal year.

We need to provide the Coast Guard with the resources necessary to restore normal operations through the normal budget and appropriations process. We need to adequately fund the Coast Guard on an annual basis so the American people can have the services that they not only expect, but require from our Coast Guard.

Drug interdiction is one of those services and one of our Coast Guard’s most important missions. As my colleagues all know, the problem of trafficking in drugs is a national and international challenge that threatens our communities here at home, as well as many fragile democracies in the Caribbean and South and Central America.

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of over $4 billion. That amount represents the value of nearly the entire Coast Guard annual budget.

With adequate resources, this is the kind of success we can expect because we are able to level the playing field with the drug smugglers. In other words, the drug smugglers in the past have had the upper hand in terms of technology and resources to transport drugs into the United States. By giving the Coast Guard additional funding, we are giving them the means to fight against the drug traffickers, and the means to beat them.

Resources allow the Coast Guard to seek innovative solutions to improve the efficiency of counter-drug operations in drug transit zones. Take for example, Operation New Frontier, which was conducted mainly in the Western Caribbean (Windward Passage, off of Haiti, Jamaica, and Colombia), and tested the concept of the Coast Guard’s “use of force” helicopters and used Over-the-Horizon cutter boats to successfully seize six “go-fast” drug-smuggling vessels. This is an unprecedented success rate. Similarly, the Coast Guard’s Deployable Pursuit Boats, DPBs, high-speed, 38-foot, 640-horsepower fiberglass boats—have been operating as another tool to stem the traffic posed by drug smugglers’ “go-fast” boats.

But unfortunately, despite recent successes, the fact is that we need to do more to help our Coast Guard in the long-term. Past funding shortfalls for the Coast Guard have had negative impacts on its operations. We need to do more. We need to make sure that every year our Coast Guard receives the funds it needs to continue its high level of service and necessary counter-drug operations.

The Coast Guard must be able to perform routine and emergency operations, while still providing vital training and maintenance functions. The Coast Guard must do this within their annual budget and without placing an unreasonable workload on its people. I stand ready to continue working with my colleagues to make sure our Coast Guard has the funding and the support to meet its missions now and well into the future.

Ms. MIKULSKI. Mr. President, my amendment is very simple: it provides $1.5 billion annually for education technology programs, and will be offset by a reduction in the tax cut. It will give every American child a “digital opportunity ladder” to climb to success, as well as help every child to be computer literate by the 6th grade, regardless of race, ethnicity, income, gender, geography, or disability.

My amendment does 3 things: it provides $1 billion a year for consolidated education technology programs, which will go to states based on formula grants. Schools could use these funds for almost any technology-related activity: wiring, hardware, software, training, maintenance or equipment.

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Finally, my amendment also provides $100 million to create one thousand community technology centers. Community technology centers are necessary because kids don’t just learn in school—they also learn in their communities. Technology centers make it easier for children to do their homework or to surf the web under adult supervision, and also make it easier for parents to upgrade their skills or write a resume.

The opportunities here are tremendous: to use technology to improve our lives, to use technology to remove barriers such as income, race, ethnicity or geography. Every student in America should have access to a digital opportunity ladder. My amendment does that and I urge my colleagues’ support.

Mr. NELSON of Florida. Mr. President, 2 years ago following an indepth study requested by Congress, the National Academy of Sciences recommended we reduce the level of arsenic in drinking water by a significant amount.

This is the standard that was, in fact, required in a rule issued by the previous administration, but one that the present administration abruptly overturned last month.

In response, I have filed legislation that aims to make the safer standard of having 80 percent less arsenic in our drinking water than the Bush administration would allow.

I believe this is a step needed to protect consumers, children and our environment. Better safe than sorry is a good rule in such matters.

This amendment would provide first-year funding of $43 million the Environmental Protection Agency says is needed for smaller cities to be able to improve water systems.

This amendment is needed to ensure that cost doesn’t prevent public water systems from providing safe, clean drinking water.

Mr. WARNER. Mr. President, I rise today in support of an amendment offered by myself and Senator MIKULSKI.

Today, teachers expend significant money out of their own pocket to better the education of our children. Most typically, our teachers are spending money out of their own pocket on three types of expenses: education expenses brought into the classroom—such as books, supplies, pens, paper, and computer equipment; professional development expenses—such as tuition, fees, books, and supplies associated with their courses that help our teachers become better instructors; and interest paid by the teacher for previously incurred higher education loans.

These out-of-pocket costs placed on the backs of our teachers are but one reason our teachers are leaving the profession, and why this country is in the midst of a teacher shortage.

Therefore, I introduced The Teacher Tax Credit. This legislation creates a $1,000 tax credit for eligible teachers for qualified education expenses, qualified professional development expenses, and interest paid by the teacher during the taxable year on any qualified education loan.

This legislation, S. 225, is cosponsored by Senators MIKULSKI, ALLEN, DZIUK, COCHRAN, and HARKIN. It is supported by the National Education Association.

We all agree that our education system must ensure that no child is left behind. As we move towards education reforms to achieve this goal, we must keep in mind the other component in our education system—the teachers.

This amendment to the budget resolution will set a reserve fund of $39.5 billion over the next 10 years to reimburse teachers for these out-of-pocket costs. Teachers will benefit and our children will benefit as well.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. On this side we agree and support all of those amendments en bloc and ask our colleagues’ support.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 334, 236, 196, 241, 335) en bloc were agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, last night we called up amendment No. 237, the Grassley amendment. We agreed to it and then withdrew it. It has now been corrected technically. It was agreed to last night, and we ask that it now be agreed to without a vote.

Mr. CONRAD. Mr. President, the Senator describes correctly what happened last night. This is a Grassley-Kennedy amendment. It has been cleared on both sides. We ask again the support of our colleagues. It was a technical glitch last night that has now been corrected.
AMENDMENT NO. 237, AS MODIFIED

The PRESIDING OFFICER. Without objection, the clerk will please report the amendment as modified.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. GRASSLEY, proposes an amendment numbered 237, as modified.

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

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

The amendment is as follows:

(Purpose: To establish a reserve fund for the Family Opportunity Act)

At the appropriate place, insert the following:

SEC. 5. RESERVE FUND FOR FAMILY OPPORTUNITY ACT.

If the Committee on Finance of the Senate reports a bill or joint resolution which provides States with the opportunity to expand Medicaid coverage for children with special needs, allowing families of disabled children with the opportunity to purchase coverage under the Medicaid program for such children (referred to as the "Family Opportunity Act of 2001"), the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $200,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Federal Hospital Insurance Trust Fund surplus in any fiscal year under consideration.

Mr. NICKLES. Mr. President, I would like to express some concerns I have regarding the Family Opportunity Act. I agree with Chairman GRASSLEY’s position that it is critically important to make sure that our federal safety net programs do not create disadvantages for families to work and therefore earn their way off federal assistance. He has made the argument that it is wrong that families, who are currently served by public programs such as Supplemental Security Income, must decline promotions and raises which would improve their situation for fear of losing their health care coverage. I agree and I will support an effort to address these inequities and help those families move off of federal programs. The legislation currently contemplated by Senators GRASSLEY and KENNEDY does not simply remove the work disincentive in SSI. In fact, the legislation applies to families who have never been on SSI nor would ever qualify for SSI. This legislation would open up Medicaid to a family who earns up to $51,000 a family of four.

In this situation, these families would be competing against families who do qualify for SSI and are currently waiting, in some cases, up to 900 days to simply get on the program they desperately need. These are the poorest of the poor. They are the people for whom this program was designed but they are not being served effectively. In my opinion it is unacceptable to punish lower income Medicaid eligible persons presently waiting for needed assistance. There are many of us who would wonder about adding more applicants who would not be receiving the SSI benefit but rather just the certification for this Medicaid expansion to an overburdened system.

In recent years, we have seen a series of rifle shot expansions to the Medicaid program based on specific disease categories or groups. I am concerned that those expansions are not consistent with the intention of the program, and undermine its purpose. It would be my hope that we could address these issues in the broader context of Medicaid reform and that the Finance Committee could responsibly evaluate any new federal entitlements to ensure that we are not duplicating existing health programs like SCHIP or discouraging private employer insurance.

This country has 43 million uninsured Americans. This bill, which costs $7.9 billion, impacts 200,000 kids; 60,000 of whom have, or have access to, employer sponsored insurance and many of whom have access to SCHIP as well. It is a higher priority to provide health care to the uninsured with no health options than to create multiple health insurance options for a select population.

I do commend Chairman GRASSLEY for his hard work with Senator KENNEDY on this bill. I know that they have been working on this program for a number of years now and hope we can work together in this process toward a final bill. I look forward to working with the chairman and others on the committee to ensure this bill addresses the issue it was designed to fix.

Mr. DOMENICI. We yield back any time in favor of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 237), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I wish to announce to everyone that we are down to three amendments on our side.

Mr. DOMENICI. Mr. President, I wish to announce to everyone that we are down to three amendments on our side. There are a few more than that on the other side. I wonder if we could have just a little bit of time. I think it would permit us to work out a number of these. I am going to put in a quorum call. I think it might last as long as 10 or 15 minutes for those who are interested.

The PRESIDING OFFICER. The clerk will call the roll.

The PRESIDING OFFICER. Without objection, the Senate stands in recess.

There being no objection, the Senate, at 11:10 a.m., recessed until 12:31 p.m., and reassembled when called to order by the Presiding Officer (Mr. INHOFFE).
CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FISCAL YEARS 2001–2011—Continued

Mr. HUTCHINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, we have been working diligently to get a series of amendments we can accept. We are operating on the premise that any of the amendments that were offered either from our side or the other side—that they be budget neutral in the language that is used to formulate them.

AMENDMENT NO. 214, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent to modify amendment No. 214 offered by Senator COLLINS.

I send the amendment, as modified, to the desk.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. COLLINS, for herself, Mr. JOHNSTON, and Mr. DASCHLE, proposes an amendment numbered 214.

The amendment, as modified, reads as follows:

(Purpose: To provide for a reserve fund for veterans' education)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR VETERANS' EDUCATION.

If the Committee on Veterans' Affairs of the House or the Senate reports a bill that increases the basic monthly benefit under the Montgomery GI Bill to reflect the increasing cost of higher education, the Chairman of the Committee on the Budget of the House or Senate, as applicable, may increase the allocation of new budget authority and outlays to such committee by the amount of new budget authority (and the outlays resulting therefrom) provided by that measure for that purpose not to exceed $775,000,000 in order for the GI Bill to keep pace with the ever-increasing cost of higher education.

Our legislation is very simple. It establishes a benchmark by which the benchmark basic Montgomery GI bill will be calculated, allowing the benefit to increase as the cost of higher education increases. Endorsed by the Partnership for Veterans Education, a broad coalition including over 40 veterans service organizations and education associations, our legislation provides a new model for today's GI Bill that is logical, fair, and worthy of a nation that values both higher education and our veterans.

While the Montgomery GI Bill has served our country well since its passage in 1985, the value of the educational benefit assistance it provides has greatly eroded over time due to inflation and the escalating cost of higher education. Military recruiters indicate that the program's benefits no longer serve as a strong incentive to join the military; nor do they serve as a retention tool valuable enough to persuade men and women to stay in the military and defer the full or part-time pursuit of their education until a later date. Perhaps most important, the program is losing its value as a means to help our men and women in uniform readjust to civilian life after military service.

The basic benefit program of the Vietnam era GI Bill provided $493 per month in 1981 to a veteran with a spouse and two children. Before the reforms of last year, a veteran in identical circumstances received only $43 more. At 6.8 percent inflation over a time period when inflation has nearly doubled, and dollar buys only half of what it once purchased.

While we made progress last year in increasing stipend levels under the GI Bill, the reforms fell short of allocating sufficient funds to cover the current cost of higher education. Moreover, the increase failed to establish a benchmark, the reform most needed to ensure that the GI Bill provides sufficient funds for our veterans and the Nation's veterans long into the 21st century.

Under our model, the GI Bill would be funded and does not provide the financial support necessary for our veterans to meet their educational goals. This amendment would provide the budget authority necessary to ensure that GI bill benefits reflect the true cost of higher education. I am very pleased that our amendment has been agreed to by both sides of the aisle and that it will become part of this budget resolution.

Mr. JOHNSON. Mr. President, I am pleased today to join Senator COLLINS in offering an amendment to the budget resolution that provides a reserve fund for veterans' education. This reserve fund will allow for legislation to be passed later this year that would increase the monthly benefit under the Montgomery GI Bill to reflect the rising cost of education.

The 1944 GI Bill of Rights is one of the most important pieces of legislation ever passed by Congress. No program has been more successful in increasing educational opportunities for our country's veterans while also providing a valuable incentive for the best and brightest to make a career out of military service.

Unfortunately, the current Montgomery GI Bill can no longer deliver these results and fails in its promise to veterans, new recruits and the men and women of the armed services.

Over 96 percent of recruits currently sign up for the Montgomery GI Bill and pay $900 out of their own pocket to guarantee eligibility. But only one-half of these military personnel use any of the current Montgomery GI Bill benefits.

There is consensus among national higher education and veterans associations that at a minimum, the GI Bill should pay the costs of attending the average four-year public institution as a commuter student. The current Montgomery GI Bill benefit pays a little more than half of that cost.

In addition to our reserve fund budget amendment, Senator Collins and I have introduced legislation called the Veterans' Higher Education Opportunities Act, S. 131, which creates that benchmark by indexing the GI Bill to the costs of attending the average four-year public institution as a commuter student. This benchmark benefit cost will be updated annually by the College Board in order for the GI Bill to keep pace with increasing costs of education.

Ms. COLLINS. Mr. President, I rise today to offer an amendment that will create a reserve fund for the improvement of veterans' education benefits under the Montgomery GI bill. I am delighted to be joined by my friend and colleague, Senator JOHNSON, in this effort.

This amendment will set aside funding for S. 131, the Veterans' Higher Education Opportunities Act, which Senator JOHNSON and I introduced earlier this year. Our legislation would provide a much-needed increase in the basic monthly benefit under the GI bill, a benefit that over the past 15 years has failed to keep pace with the ever-increasing cost of higher education.

Our legislation is very simple. It establishes a benchmark by which the benchmark basic Montgomery GI bill will be calculated, allowing the benefit to increase as the cost of higher education increases. Endorsed by the Partnership for Veterans Education, a broad coalition including over 40 veterans service organizations and education associations, our legislation provides a new model for today's GI Bill that is logical, fair, and worthy of a nation that values both higher education and our veterans.

While the Montgomery GI bill has served our country well since its passage in 1985, the value of the educational benefit assistance it provides has greatly eroded over time due to inflation and the escalating cost of higher education. Military recruiters indicate that the program's benefits no longer serve as a strong incentive to join the military; nor do they serve as a retention tool valuable enough to persuade men and women to stay in the military and defer the full or part-time pursuit of their education until a later date. Perhaps most important, the program is losing its value as a means to help our men and women in uniform readjust to civilian life after military service.

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While we made progress last year in increasing stipend levels under the GI Bill, the reforms fell short of allocating sufficient funds to cover the current cost of higher education. Moreover, the increase failed to establish a benchmark, the reform most needed to ensure that the GI Bill provides sufficient funds for our veterans and the Nation's veterans long into the 21st century.

Under our model, the GI Bill would be funded and does not provide the financial support necessary for our veterans to meet their educational goals. This amendment would provide the budget authority necessary to ensure that GI bill benefits reflect the true cost of higher education. I am very pleased that our amendment has been agreed to by both sides of the aisle and that it will become part of this budget resolution.

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Unfortunately, the current Montgomery GI Bill can no longer deliver these results and fails in its promise to veterans, new recruits and the men and women of the armed services.

Over 96 percent of recruits currently sign up for the Montgomery GI Bill and pay $900 out of their own pocket to guarantee eligibility. But only one-half of these military personnel use any of the current Montgomery GI Bill benefits.

There is consensus among national higher education and veterans associations that at a minimum, the GI Bill should pay the costs of attending the average four-year public institution as a commuter student. The current Montgomery GI Bill benefit pays a little more than half of that cost.

In addition to our reserve fund budget amendment, Senator Collins and I have introduced legislation called the Veterans' Higher Education Opportunities Act, S. 131, which creates that benchmark by indexing the GI Bill to the costs of attending the average four-year public institution as a commuter student. This benchmark benefit cost will be updated annually by the College Board in order for the GI Bill to keep pace with increasing costs of education.
The Senators’ Higher Education Opportunities Act is truly a bipartisan effort by the Senate to ensure that veterans receive a fair and equitable education benefit. This bill is a direct response to the needs of our nation’s veterans, who have served our country with distinction.

The Senators’ Higher Education Opportunities Act is a comprehensive bill that seeks to address the challenges faced by veterans in pursuing higher education. The bill includes provisions to increase the basic monthly benefit under the Montgomery GI Bill, to provide a reserve fund for veterans education, and to establish a reserve fund for veterans education and training.

The Senators’ Higher Education Opportunities Act is an important piece of legislation that will improve the quality of education for our nation’s veterans. It is a testament to the bipartisan efforts of the Senate in ensuring that our veterans receive the support they need to continue their education.

I urge all members of the Senate to support this important legislation. It is time for Congress to do its part to ensure that our veterans receive the support they need to continue their education and to pursue the dreams they have for their future.

Sincerely,

[Signature]

[Name]
[Title]
at The Citadel in South Carolina and raised the notion of skipping a genera-
tion of weapons systems and of making leap ahead advances in American military capabilities. Governor Bush re-
ognized that 21st century threats facing the United States are qualitatively dif-
ferent than the threats that occupied our military and our industrial base during the cold war and in the decade that followed the downfall of the Soviet Union.

Since that speech, many others have articulated a need to transform our Na-
ton’s military to better respond to these threat trends. They note that our current military is ill-equipped to meet threats such as incidents of terrorism, information warfare, biological warfare, and urban conflict. The only way to meet these challenges is to redouble our efforts on meeting these challenges.

While procuring updated or evolution-
yary weapons systems might seem like the most expeditious way to meet these new threats, I believe that we need to work our way back and look first at the basic sciences and basic re-
search efforts that will support the de-
velopment of new weapons systems. Without critical investments in De-
partment of Defense basic research we cannot hope to make key under-
standings that will drive leap ahead ad-
vances or spur on revolutionary weap-
on systems.

Oftentimes, the funding that sup-
ports basic research for the Depart-
ment of Defense has been referred to as "seed corn" funding. It is funding that, when properly invested, will return ad-
advances in our understanding of what we know about a property, an entity, a phenomenon, or relationship. Not all of these investments are successful in outcome, but reason basic re-
search can be classified as high-risk in nature. However, these basic research investments inevitably add to our knowledge base and improve our under-
standing of the world.

Regrettably, we have been taking funds from these crucial accounts and using them to pay for the near-term modernization or procurement needs of today’s military. While this has proven to be a useful short-term fix, in the long-run, we have compromised those resources necessary to drive innovation and leap ahead advances, advances nec-
cessary to meet 21st century threats. Part of the problem lies in the nature of basic research. Unlike investments in applied research or advanced develop-
ment research, the incubation period for basic research is perhaps as long as a decade. This requires the executive and legislative branches of government to maintain a long-term focus when making budgetary decisions. American universities offer the Depart-
ment of Defense the laboratories and knowledge base necessary to suc-
sessfully complete this transformation objective. The Department of Defense has historically played a major federal role in funding basic research and has historically been the engine of research and technology develop-
ment conducted in American univer-
sities. For over 50 years, Department of Defense investment in university re-
search has been a dominant element of the nation’s research and development infrastructure and an essential compo-
nent of the United States capacity for technological innovation.

According to recent figures, 54 per-
cent of all Department of Defense-
sponsored basic research is performed in American universities. Furthermore, in aeronautical, electrical and mechan-
ic engineering, the Department of Defense’s share of governmentwide in-
vestment exceeds 50 percent. In addi-
tion, Department of Defense investment in math-
ematics and computer science, the De-
artment of Defense accounts for nearly 50 percent of all federal investment. Moreover, Department of Defense basic research programs make a significant contribution to the national economy by educating new generations of sci-
entists and engineers and by helping to maintain a university research infra-
structure that is the envy of the world.

The unpredictability of long-term re-
search in combination with shortened product cycles and an intense competi-
tion has led many private sector com-
panies to rethrench their research pro-
grams to focus on near-term product development. Only the Department of Defense and other Federal agencies can invest in university research at the levels required to meet future chal-
lenges to American security, pros-
perity and health.

Throughout the decades of the 1950’s, 1960’s, 1970’s, and 1980’s, the Depart-
ment of Defense and other Federal agencies sustained their commitments to these investments in American universities. This investment can be measured by the number of systems relied upon by America today to project power and maintain our interests around the globe. For example, fundamental stim-
ulated emission basic research at Co-
lumbia University in the 1950’s led to military advances in lasers necessary for precision weapon guidance capabil-
ities. Department of Defense basic re-
search funds supported activities at the California Institute of Technology in the 1970’s which studied metal semicon-
ductor field effect transistor gallium-
arsenide devices now used in ballistic missile ground-based radar. Depart-
ment of Defense basic research funding supported scientific study at the Mas-
sachusetts Institute of Technology and Stanford University on lightweight composite structural materials now utilized by Marine Corps’ AV-8B Harrier aircraft.

As I mentioned earlier, the incuba-
tion period for basic research can be as long as a decade. Companies competing in today’s market-driven, global econ-
omy, are now reducing their invest-
ments in long-term, high-risk research. It is up to the federal government to make the critical investment in this high-risk, long-term research if we are to make revolutionary or leap ahead scientific breakthroughs.

Without increased investment in De-
partment of Defense basic research, the number of graduate student opportuni-
ties to pursue Department of Defense research cannot increase. A decline in the pool of scientists, engineers, math-
ematicians, and skilled technicians will prevent the Department of Defense from achieving success in the pursuit of leap ahead technologies. In addition, our cadre of skilled scientists and engi-
neers—cultivated by Department of De-
finite basic research funds—are the in-
vitables who will drive innovation in the areas of our economy which depend on advances in science and technology.

In the end, there has to be a recogni-
tion by U.S. policy leaders that these critical funds are crucial to the U.S. military being able to meet future threats. The capabilities identified by the DSB Task Force were: Response to engi-
neered biological threats; real-time surveill ance and targeting, especially hidden and moving targets; and real-
day projection of dominant U.S./Coal-
tion military forces.

For advances to occur in these capa-
bilities, we will first need to make wise investments in key enabling tech-
nologies. Department of Defense basic research can provide the stimulus to make this possible. Examples of key enabling technologies include: bio-
technology; information technology; microsystems; and energy and mate-
rials. The DSB Task Force report ob-
served that commercial sector invest-
ment in these technologies are short-
terms in nature as opposed to long-
term. In addition, the DSB Task Force recommended a focus on the inter-
disciplinary combinations of these technologies, as it is in these intersec-
tions that the truly revolutionary ad-
thancements in military capabilities take place.

For fiscal year 2001, President Clin-
ton requested $1.22 billion in funding for Department of Defense basic re-
search. Congress, for fiscal year 2001, appropriated $1.35 billion for Depart-
ment of Defense basic research. With this in mind, my amendment is quite rea-
sonable and, I believe, quite modest. For fiscal year 2002, I propose investing an additional $353.5 million in Depart-
ment of Defense basic research funding spent in American universities. This amendment begins the process of trans-
foming our military to meet 21st cen-
tury threats.
Given the importance of these funds in making leap ahead advances in our military capabilities and because our quality of life as Americans is tied to basic research, I believe this is an initiative Congress should support with great enthusiasm.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 182), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator Tim Hutchinson of Arkansas be added as a cosponsor of amendment No. 317.

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

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. CLINTON, proposes an amendment numbered 328, as modified.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be appropriate to modify amendment No. 238. I send the amendment to the desk.

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

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. CLINTON, proposes an amendment numbered 328, as modified.

Mr. DOMENICI. 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 provide a reserve fund for refundable tax credits)

At the end of title II, insert the following:

SEC. 3. RESERVE FUND FOR REFUNDABLE TAX CREDITS.

In the Senate, if any bill reported by the Committee on Finance, amendment thereto, or conference report thereon, has refundable tax provisions that increase outlays, the Chairman of the Committee on the Budget may increase the amount of new budget authority (and outlays flowing therefrom) allocated to the Committee on Finance by the amount provided by such provisions and adjust the budget aggregates and reconciliation directions set forth in this resolution, as applicable, accordingly, but only to the extent that the increase in outlays and reduction in revenues resulting from such bill does not exceed the amounts specified in section 101.

Mr. DOMENICI. This is Senator Bingaman’s amendment on scorekeeping. We have nothing further to add.

Mr. CONRAD. No objection on this side.
AMENDMENT NO. 246

Mr. DOMENICI. Mr. President, I ask that amendment No. 246 be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici), for Mr. Smith of Oregon, proposes an amendment numbered 246.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor of the amendment.

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

Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 325) was agreed to.

INDIAN HEALTH CARE AMENDMENT TO THE BUDGET RESOLUTION

Mr. DASCHLE. Mr. President, this amendment addresses a huge, but simple problem. American Indians and Alaska Natives were guaranteed health insurance. They are not getting it.

The Indian Health Service is supposed to provide full health coverage and care to every Indian in the country. In fiscal year 2002, the cost of that care is conservatively estimated at $6 billion. The IHS budget for those Personal Clinical Services is $1.8 billion. My amendment would give the Indian Health Service the $4.2 billion it needs to provide full health coverage it is required to provide.

What is happening now without that critical funding? Health care is being rationed, often with tragic results. Indians are being told they face a literal "life or limb" test. They cannot see a doctor unless their life is threatened or they are about to lose a limb. They are told they have to wait until they get worse; then, if there is any money left, they might get treatment. Non-emergency care is routinely denied.

It's hard to believe this is happening in America in 2001, but it is. And the pain is felt not just in Indian Country, but also in the surrounding areas where non-IHS facilities try to fill in some of the treatment gaps. Because IHS has no money to reimburse them, they are facing their own budget crises.

The problem is real; the solution is simple. Give the Indian Health Service the funds it needs to provide 2.45 million Native Americans the health benefits they have been promised.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor.

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

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. Mr. President, I, too, want to be listed as an original cosponsor of the amendment.

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

Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 325) was agreed to.

AMENDMENT NO. 246

Mr. DOMENICI, Mr. President, I ask that amendment No. 246 be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici), for Mr. Smith of Oregon, proposes an amendment numbered 246.

Mr. DOMENICI. 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:

On page 5, line 8, decrease the amount by $100,000,000.

On page 4, line 3, add $100,000,000.

On page 17, line 23, increase the amount by $100,000,000.

On page 17, line 24, increase the amount by $100,000,000.

On page 18, line 2, increase the amount by $100,000,000.

On page 18, line 3, increase the amount by $100,000,000.

On page 43, line 15, decrease the amount by $100,000,000.

On page 43, line 16, decrease the amount by $100,000,000.

Mr. Smith of Oregon. Mr. President, today I introduce an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment would increase the construction funds available to the Bureau of Reclamation by $100 million annually in fiscal years 2002 and 2003.

Mr. President, there is a crying need for water infrastructure in the Western United States. Many existing Reclamation projects are over 40 years old and need improvements and rehabilitation. A new environmental ethic has caused projects to provide more water for the environment, or to be reconfigured to be more environmentally friendly. These types of construction projects...
Mr. DOMENICI. Mr. President, we have reached agreement on it. We have a neutral amendment, a modification to amendment No. 283. I ask unanimous consent that I be permitted to send a modification to amendment No. 283 to the desk. The principal sponsors are Mr. SMITH of Oregon, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. SMITH of Oregon, for himself, Mr. HARKIN, Mr. LEAHY, Ms. SNOWE, Mr. CRAPO, and Mrs. BOXER, proposes an amendment numbered 283, as modified.

Mr. SMITH of Oregon. Mr. President, I advance the amendment be dispensed with.

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

Mr. DOMENICI. 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, as modified, is as follows:

(Purpose: To provide an increase in funds of $1.3 billion in fiscal year 2002 for the promotion of voluntary agriculture and forestry conservation programs that enhance and protect natural resources on private lands and without taking from the HI Trust Fund)

On page 17, line 23, increase the amount by $1,300,000,000.

On page 17, line 24, increase the amount by $1,300,000,000.

On page 43, line 15, decrease the amount by $1,300,000,000.

On page 43, line 16, decrease the amount by $1,300,000,000.

Mr. SMITH of Oregon. Mr. President, I want to thank the distinguished Chairman and Ranking Member of the Senate Budget Committee for helping to reach this agreement to adopt this amendment today. While this modified version does not contain the $2.7 billion in fiscal year 2003 that the original did, it does call for the $1.3 billion increase in fiscal year 2002 for agriculture conservation under function 300 of the budget. This amount, combined with $350 million authorized under an amendment adopted yesterday, totals more than $1.6 billion for conservation activities in fiscal year 2002.

As our farmers and ranchers are faced with new environmental regulations and development pressures, agriculture conservation programs become even more important. Right now, demand for conservation assistance far outstrips available funding for such programs as the Environmental Quality Incentives Program. In addition, there is a need for more NRCS technical assistance support and a new incentives-based conservation initiative such as the Conservation Security Act.

I want to thank Senators HARKIN, LEAHY, Ammari, Boxer, Wyden, Dayton, Bingaman, Levin, Durbin, Johnson, and Landrieu who joined me in introducing this bipartisan amendment. I have enjoyed working with them and believe that we have a growing core of interest in agriculture conservation funding here in the Senate.

I look forward to working closely with my friends on both sides of the aisle to pursue this funding in the upcoming conference on the budget as well as in future agriculture appropriations acts.

Mr. DOMENICI. We have no objection to the amendment, as modified, on this side.

Mr. CONRAD. We support the amendment, as modified, on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 283), as modified, was agreed to.

Mr. DOMENICI. I repeat, this amendment does not increase spending. It is a neutral amendment.

Mr. CONRAD. Mr. President, we do not have a copy of this amendment.

Mr. DOMENICI. Let’s make it sound better and say we thought we had given it to the Senator but perhaps we did not.

Mr. CONRAD. The Senator may well have. As the Senator from New Mexico knows, we are dealing with a large number of amendments. We just do not have it in the stack of amendments. We just do not know, we are dealing with a large number of amendments.

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. We support this amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 246) was agreed to.

Mr. DOMENICI. This is a zero effect amendment. It affects the Bureau of Reclamation without affecting the budget in any way. It is a neutral amendment.

Mr. CONRAD. We agree, Mr. President, that it is budget neutral.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

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

On page 3, line 6, increase the amount by $230,000,000.
On page 3, line 7, increase the amount by $230,000,000.
On page 3, line 8, increase the amount by $230,000,000.
On page 3, line 13, decrease the amount by $230,000,000.
On page 3, line 14, decrease the amount by $230,000,000.
On page 3, line 15, decrease the amount by $230,000,000.
On page 3, line 16, decrease the amount by $230,000,000.
On page 3, line 17, decrease the amount by $230,000,000.
On page 3, line 18, decrease the amount by $230,000,000.
On page 3, line 19, decrease the amount by $230,000,000.
On page 3, line 20, decrease the amount by $230,000,000.
On page 3, line 21, decrease the amount by $230,000,000.
On page 3, line 22, decrease the amount by $230,000,000.
On page 4, line 17, increase the amount by $230,000,000.
On page 4, line 18, increase the amount by $230,000,000.
On page 4, line 19, increase the amount by $230,000,000.
On page 4, line 20, increase the amount by $230,000,000.
On page 4, line 21, increase the amount by $230,000,000.
On page 4, line 22, increase the amount by $230,000,000.
On page 4, line 23, increase the amount by $230,000,000.
On page 5, line 1, increase the amount by $230,000,000.
On page 5, line 2, increase the amount by $230,000,000.
On page 5, line 6, increase the amount by $2,300,000,000.
On page 25, line 7, increase the amount by $230,000,000.
On page 25, line 11, increase the amount by $230,000,000.
On page 25, line 15, increase the amount by $230,000,000.
On page 25, line 19, increase the amount by $230,000,000.
On page 25, line 23, increase the amount by $230,000,000.
On page 26, line 3, increase the amount by $230,000,000.
On page 26, line 7, increase the amount by $230,000,000.
On page 26, line 11, increase the amount by $230,000,000.
On page 26, line 15, increase the amount by $230,000,000.
On page 26, line 19, increase the amount by $230,000,000.
On page 43, line 15, decrease the amount by $2,300,000,000.
On page 43, line 16, decrease the amount by $230,000,000.
On page 48, line 8, increase the amount by $2,300,000,000.
On page 48, line 9, increase the amount by $230,000,000.
At the end, add the following:

SEC. 2. SENSE OF THE SENATE ON THE USE OF FEDERAL RESERVE SURPLUSES. It is the sense of the Senate that the levels in this resolution assume that the $2,300,000,000 increase in revenues over the 2002 through 2011 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal Reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment, but we are willing to do this on a voice vote. I have nothing further to say. This adds money to function 470 of the budget. We are against it, but we will have a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 197.

The amendment (No. 197) was rejected.

AMENDMENT NO. 183

Mr. DOMENICI. I call up amendment No. 183 on behalf of Senator DORGAN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 183.

Mr. DOMENICI. 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 eliminate the Bureau of Indian Affairs school construction backlog and to increase funding for Indian health services, by transferring funds from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $713,440,000.
On page 2, line 18, increase the amount by $713,440,000.
On page 3, line 1, increase the amount by $713,440,000.
On page 3, line 2, increase the amount by $713,440,000.
On page 3, line 3, increase the amount by $713,440,000.
On page 3, line 14, decrease the amount by $713,440,000.
On page 3, line 15, decrease the amount by $713,440,000.
On page 3, line 16, decrease the amount by $713,440,000.
On page 4, line 3, increase the amount by $732,000,000.
On page 4, line 4, increase the amount by $732,000,000.
On page 4, line 5, increase the amount by $732,000,000.
On page 4, line 17, increase the amount by $713,440,000.
On page 4, line 18, increase the amount by $713,440,000.
On page 4, line 19, increase the amount by $713,440,000.
On page 4, line 20, increase the amount by $713,440,000.
On page 4, line 21, increase the amount by $713,440,000.
On page 4, line 22, increase the amount by $713,440,000.
On page 4, line 23, increase the amount by $713,440,000.
On page 5, line 1, increase the amount by $713,440,000.
On page 5, line 2, increase the amount by $713,440,000.
On page 26, line 6, increase the amount by $2,300,000,000.
On page 25, line 7, increase the amount by $230,000,000.
On page 25, line 8, increase the amount by $230,000,000.
On page 25, line 9, increase the amount by $230,000,000.

At the appropriate place, insert the following:

SEC. 3. USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that the levels in this resolution assume that the $2,300,000,000 increase in revenues over the 2002 through 2011 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal Reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we are prepared to proceed with some additional amendments. We call up
amendment No. 183, the Kerry-Bond amendment.

Mr. KERRY. The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senate from New Mexico [Mr. DOMENICI], for Mr. KERRY, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, Mr. DASCHLE, Mr. LANTOS, and Mr. JOHNSON, proposes an amendment numbered 183.

Mr. DOMENICI. 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 revise the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country’s 24 million small businesses, and to restore and reasonably increase funding to support the Small Business Administration because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. On page 21, line 15, increase the amount by $264,000,000."

On page 21, line 16, increase the amount by $154,000,000.

On page 43, line 15, decrease the amount by $264,000,000.

On page 43, line 16, decrease the amount by $154,000,000.

On page 48, line 8, increase the amount by $264,000,000.

On page 48, line 9, increase the amount by $154,000,000.

Mr. DOMENICI. Mr. President, we accept that amendment and we are willing to do that at this time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. The distinguished managers would not object, I know Senator KERRY would like to add a brief statement.

A recent visitor to my Small Business Administration office spoke excitedly to me about the importance of small businesses to our economy. For less than $2 per taxpayer, we can provide access to credit and capital for our nation’s job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I ask unanimous consent that letters of support and a summary of the amendment be printed in the RECORD.

The NATIONAL ASSOCIATION OF GOVERNMENT GUARANTEED LENDERS, INC.

Stillwater, OK, April 5, 2001

Hon. John F. Kerry,
U.S. Senate,
Washington, DC.

Dear Senator Kerry: I am writing on behalf of NAGGL’s nearly 700 Members in support of your amendment, number 183, to the Senate’s budget for fiscal year 2002. Specifically, your amendment would restore $264 million to the SBA’s budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we’ve been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation’s job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I urge adoption of this bipartisan amendment, which is critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.

Mr. KERRY. Mr. President, I am offering an amendment that ensures the small business programs at the Small Business Administration are adequately funded for FY 2002 and can continue to provide loans and business assistance to the country’s 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women’s Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency’s management training and counseling programs, which are sometimes more important to the success of small businesses than loans.

This amendment is not controversial, and it is bipartisan. I want to thank my colleagues, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, Mr. DASCHLE, Mr. LANTOS, and Mr. JOHNSON, for their support.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA’s budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we’ve been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation’s job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I urge adoption of this bipartisan amendment, which is critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.

Mr. KERRY. Mr. President, I am offering an amendment that ensures the small business programs at the Small Business Administration are adequately funded for FY 2002 and can continue to provide loans and business assistance to the country’s 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women’s Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency’s management training and counseling programs, which are sometimes more important to the success of small businesses than loans.

This amendment is not controversial, and it is bipartisan. I want to thank my colleagues, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, Mr. DASCHLE, Mr. LANTOS, and Mr. JOHNSON, for their support.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA’s budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we’ve been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation’s job creators.

Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I urge adoption of this bipartisan amendment, which is critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.
CONGRESSIONAL RECORD—SENATE

5857

U.S. HISPANIC CHAMBER OF COMMERCE

Hon. JOHN F. KERRY,
Ranking Member, Senate Small Business Committee, Senate Office Building, Washington, DC.

Dear Senator Kerry: We write in support of the Kerry/Bond Amendment to restore $264 million of proposed cuts to the Small Business Administration’s (SBA) budget. We further support the amendment’s proposal to have these funds come out of the contingency fund and not the tax cut or the Medicare/Social Security trust fund. Your amendment would ensure that the small business programs at the SBA are adequately funded and continue to provide loan and business assistance to Hispanic-owned small businesses in this country.

The United States Hispanic Chamber of Commerce (USHCC) represents the interest of approximately 1.5 million Hispanic-owned businesses in the United States and Puerto Rico. With a network of 200 Hispanic chambers of commerce across the country, the USHCC stands as the pre-eminent business organization that promotes the economic growth and development of Hispanic entrepreneurs.

The SBA programs that are currently in jeopardy of losing funds have been extremely instrumental in helping our Hispanic entrepreneurs start and maintain successful businesses in the United States. Without these programs, the Hispanic business community will suffer huge setbacks to the strides we have been able to achieve over the years. It is therefore necessary to restore and increase funding to these programs so that the Hispanic business community will continue to experience economic growth and success in this country.

We support your efforts and urge other members of the Senate to support the Kerry/Bond amendment in restoring these necessary funds to the SBA.

Respectfully submitted,

MARTIZA RIVERA,
Vice President for Government Relations.

INDEPENDENT COMMUNITY BANKERS OF AMERICA

To: Members of the U.S. Senate.

From: Independent Community Bankers of America.

RE: ICBA support the Kerry-Bond amendment to preserve small business loan programs and to prevent new fees.

On behalf of the 5,300 members of the ICBA, we support the Kerry-Bond amendment to the FY 2002 Budget and urge all Senators to join in support of this important bipartisan amendment. The amendment would restore $264 million proposed to be cut from the Small Business Administration’s budget. This would provide critical funding to preserve small business loan programs, specifically the 7(a) Guaranteed Loan Program, the 504/7(a) Guaranteed Loan program, the Minority Business Development Fund, and the Small Business Development Centers (SBDC) Program.

The SBDC Program specifically, uses a network of approximately 200 local centers located across the country, the USHCC stands as the pre-eminent business organization that promotes the economic growth and development of Hispanic entrepreneurs.

As for the SBDC Program specifically, we are proud to report that the most recent impact survey of the program found that in one year SBDC’s helped small businesses create 92,000 new jobs, generate $630 million in new sales revenue, and created 67,000 new jobs. Clearly, we need an increase in funding for these programs not be compromised as hundreds of thousands of small businesses will need management and technical assistance and long term debt financing more than ever.

We urge every Senator’s support for the Kerry-Bond amendment so that small businesses have continued access to needed credit and services.

Thank you very much for your ongoing support.

Sincerely,

DONALD T. WILSON,
Director of Government Relations.

WEBST CORP.
Albuquerque, NM, April 5, 2001.

Hon. JOHN F. KERRY,
U.S. Senate, Washington, DC.

Dear Senator Kerry: On behalf of the Association of Women’s Business Centers, I am writing to voice our full support for the amendment introduced (#183) which would provide adequate funding for the Small Business Administration’s programs targeted to lending and business assistance.

As you know, the SBA programs serve the credit and business development needs of women, minorities, and low-income entrepreneurs all across the United States and Puerto Rico. It is absolutely critical that these programs, particularly the Women’s Business Centers Program, the Microloan Program, PRIME, and the National Women’s Business Council, receive the funding you have recommended in your amendment so that existing and emerging entrepreneurs throughout the country continue to have opportunities to realize the American dream of business ownership.

As an advocate for tens of thousands of women business owners across the country, the AWBC applauds your vision and leadership in helping to ensure that these critical SBA programs continue to serve the entrepreneurial and credit needs of the American people.

We look forward to working with you in the months ahead to ensure the passage of this amendment.

Thank you very much for your ongoing support.

Sincerely,

AGNES NOONAN,
Chair, AWBC Policy Committee, Executive Director.


Hon. JOHN F. KERRY,
U.S. Senate, Washington, DC.

Dear Senator Kerry: As the President of the Association of Women’s Business Centers (AWBC), I am writing on behalf of the 80+ Women’s Business Centers who have been funded by the Small Business Administration’s Office of Women’s Business Ownership. We write to support your amendment #183 to increase funding for the SBA programs and, in particular, to fund the Women’s Business Center Program at $137 million.

The President’s budget only provides level funding of $12 million for the WBC program, which is inadequate at this time as women are continuing to start two-thirds of all new businesses. Clearly, we need an increase in funding at this time to continue to ensure that we are keeping pace with this fast growth and providing services to as many women business owners as possible.

Thank you very much for your continued support and advocacy on our behalf.

Sincerely,

ANDREA C. SIBLEY,
President, AWBC, and CEO, Center for Women & Enterprise.

HOUSTON, TX, April 5, 2001.

Senator JOHN KERRY,
Washington, DC.

Dear Senator Kerry: Since I work with small business owners every day to help them obtain the financing they require to start a new business, acquire a business or expand an existing business, I wanted you to know that I strongly support you and your efforts regarding Amendment 183.

Thank you for your continued good work.

Sincerely,

CHARMIAN ROSALES.
SUMMARY OF AMENDMENT NO. 183
(Purpose: To amend the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country’s 24 million small businesses. It is necessary to restore and reason- ably increase funding to specific programs at the SBA because the current budget reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow.)
All funds are added to Function 376, which funds the SBA for FY 2002.

CREDIT PROGRAMS
$118 million for 7(a) loans, funding an $11 billion program.
$25.2 million for SHIC participating securities, will support a $2 billion program.
$750,000 for direct microloans, funding a $30 million program.
$31 million for new markets venture capital debentures, funding $150 million program.
$10 million for Microloan Technical Assistance.
$21 million for new markets venture capital debentures, funding $150 million program.
$4 million for the National Veterans Business Development Corporation.
$10 million for Microloan Technical Assistance, total of $30 million.
$30 million for the Small Business Development Centers, total of $105 million.
$30 million for New Markets Venture Capital Technical Assistance.
$15 million for the Program for Investment in Microenterprise.
$7 million for BusinessLINC.
$1.7 million for Women’s Business Centers. bringing total to $13.7 million.
$250,000 for Women’s Business Council. bringing total to $1 million.

Total request for credit programs=$166 million.

NON-CREDIT PROGRAMS
$4 million for the National Veterans Business Development Corporation.
$10 million for Microloan Technical Assistance, total of $30 million.
$30 million for the Small Business Development Centers, total of $105 million.
$30 million for New Markets Venture Capital Technical Assistance.
$15 million for the Program for Investment in Microenterprise.

Total request for credit and non-credit programs=$170 million.

Mr. KERRY. Mr. President, in conclusion, we have noticed in the last months small businesses have been severely constrained because banks are tightening up credit. This amendment is going to leverage some $35 billion worth of investment in the country. There isn’t a State in the Nation where small business doesn’t make an enormous difference. Small business represents 50 percent of the jobs in the private sector. By restoring these funds, we are going to help to turn around the slowness that people perceive in the economy today and I think give a lot of relief to an awful lot of businesses in the Nation.

I thank the managers for accepting this amendment.

Mr. DOMENICI. This also is budget neutral. We have no objection to the amendment.

Mr. CONRAD. Mr. President, it is supported on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 183) was agreed to.

AMENDMENT NO. 231, AS MODIFIED
Mr. DOMENICI. We call up Senator MURRAY’s amendment No. 231, and I ask unanimous consent to send a modification to the desk.

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

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mrs. MURRAY, Mr. AKAKA, Mr. LIEBERMAN, Mr. EDWARDS, Mrs. LINCOLN, Ms. CANTWELL, Mrs. BOXER, and Mr. REID, proposes an amendment numbered 231, as modified.

(Purpose: To increase budget authority and outlays in Function 450 to provide adequate funding for Project Impact and FEMA Hazard Mitigation grants.)

On page 25, line 6, increase the amount by $108,000,000.

On page 25, line 7, increase the amount by $108,000,000.

On page 48, line 15, decrease the amount by $108,000,000.

On page 48, line 16, decrease the amount by $48,000,000.

Mr. AKAKA. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Washington, Mrs. MURRAY, to reinstate FEMA’s pre-disaster mitigation program, Project Impact. Established in 1997, Project Impact assists communities in identifying risks and vulnerabilities, developing programs to lessen risks, and involving the public and private sectors in the process. With over 250 community Project Impact partners nationwide and more than 2,500 business partners, Project Impact is the only Federal program that provides funds for pre-disaster mitigation.

In Hawaii, all four of the state’s counties are Project Impact partners. For example, Maui County is using Project Impact to review community mitigation plans in regions that are more isolated than others to reduce disruptions during and after disasters. The County of Kauai is using funds to assist with retrofitting and hardening public structures to protect them from damaging hurricanes, and the state’s most populous area, the City and County of Honolulu, is working on an aggressive public education and awareness program, developing a mitigation strategy to include a risk-vulnerability assessment, hardening and retrofitting essential facilities, and flood control measures.

My distinguished colleague from Washington described how Seattle has benefited from its partnership with Project Impact. I was interested that 6 months before the city’s massive earthquake, Mayor Paul Schell said, “Seattle Project Impact helps us realize we are not powerless against the threat of earthquakes. This public-private partnership is one of the best examples of how local communities can work together to become disaster resistant.” Ironically, the President’s budget, which was released on the same day as the Seattle earthquake, proposed to terminate Project Impact from FEMA’s fiscal year 2002 budget, stating the program “has not proven effective.”

I would like to take a moment to discuss the effectiveness of this program. My first action was to ask OMB Director Mitchell Daniels and FEMA Director Joseph Allbaugh how they reached their decision to eliminate this successful program. During Director Allbaugh’s confirmation hearing, he said that, with respect to the importance of disaster mitigation, “taking my lead from Congress’ enactment of the 2000 Stafford Act amendments, I plan to focus on implementing pre-disaster mitigation programs that encourage the building of disaster resistant communities. FEMA has made solid progress in this area, but more can be done.”

I pointed out that limiting its funding will not meet the goal of doing more to “focus on implementing pre-disaster mitigation programs” and “limit the human and financial toll of disasters.”

Director Daniels recently replied to my earlier letter. He expressed strong support for Project Impact but surprisingly indicated that funding would be eliminated. Instead he suggested that a new National Emergency Reserve fund would be used for disaster mitigation although the President’s proposed budget blueprint makes clear that the reserve’s funds are “limited to expenditures that are sudden, urgent, unforeseen, and not permanent.” His letter, which I ask unanimous consent be entered into the Record along with the description of the National Emergency Reserve fund, deepens my concern that this program’s functions will not be funded. Consequently, there will be no funding for disaster mitigation programs in the President’s budget.

I also was interested to learn that there has been no formal review by the General Accounting Office of the effectiveness of this program, either by itself or with respect to the other mitigation programs in FEMA. In March 2000 FEMA Inspector General report outlined some of the management difficulties Project Impact faced as a new and rapidly expanding program. The IG found several areas lacking or in need of reform, and the agency addressed each issue. Moreover, the report stated that many of the benefits derived from Project Impact could not be quantified, which is a never-ending burden of mitigation and prevention programs: a potential concern results in a smaller effect, or none at all.

Supporters of the President’s proposed budget cut may say that all we have heard is anecdotal evidence in April 6, 2001
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support of Project Impact. However, I say that we have not heard any evidence, anecdotial or otherwise, against the program, and I am left wondering who the new administration decided that simply responding to disasters wasn’t enough. We made the decision to invest in communities that wanted to invest in limiting the damage caused by natural disasters. That philosophy has translated into real life results through Project Impact.

The amendment I offer today re-authorized Project Impact for the next 2 years will help FEMA to achieve its Strategic Management. Moreover, the program provides needed assistance to States and communities across the country that experience losses caused by disasters. The amount of money that would be saved by these proposed cuts is relatively small. I urge my colleagues to support this amendment and to restore funding authorization for these two worthy FEMA programs.

Mrs. MURRAY. Mr. President, the amendment Senator AKAKA and I have introduced today would restore funding for FEMA’s Project Impact and maintain the existing 75 percent Federal cost-share for hazard mitigation grants. The Murray-Akaka amendment would not increase any funding. It would simply keep the same commitment the Federal Government has provided in previous years. I would like to thank Senator AKAKA for his work on this important amendment. I would also like to thank Senators LIEBERMAN, EDWARDS, LINCOLN, CANTWELL, BOXER, REID, and MIKULSKI for cosponsoring the Murray-Akaka amendment.

On February 28 an earthquake measuring 6.8 on the Richter scale caused significant damage throughout western Washington State killing one person, injuring more than 400 people, and causing hundreds of millions of dollars in damage. It was, by all accounts, a big scare. Everyone in western Washington has an earthquake story.

Some of the biggest stories involve a small program called Project Impact. My home State was very lucky the damage wasn’t worse. But communities in my State created some of their own luck by being prepared. I am proud to say the Federal Government was a good partner in those efforts. Project Impact is a pre-disaster mitigation program run by the Federal Emergency Management Agency. The premise is simple: in the 1990s, the Federal Government spent more than $20 billion responding to natural disasters. This sum doesn’t count the loss of loved ones. It doesn’t count the hardship Americans ensure when Mother Nature strikes.

As I toured the earthquake damage in the days after the earthquake, I was left wondering who the new administration had spoken with to reach that conclusion. The administration certainly didn’t speak with the City of Seattle. Seattle was one of the original Project Impact communities. Today, there are nearly 248 Project Impact communities in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Two days after the earthquake, I toured Stevens Elementary School in Seattle. The current school building is one of the oldest run by the Seattle public Schools. The teachers and students practice constantly for earthquakes. Stevens Elementary is one of the 46 Seattle schools that have had their overhead hazards removed. In this case, I saw how Project Impact dollars were used to drain an overhead water tank and to secure the tanks so it wouldn’t fall through a classroom ceiling and onto students during an earthquake. In other Seattle schools, Project Impact dollars are used to disaster-proof classrooms. This involves tying down computers and strapping televisions to ensure they don’t fall during an earthquake.

As parents and grandparents, we want to know that our children are safe when they are at school. Project Impact has allowed many communities to make sure that more of their students will be safe when natural disasters strike. Washington State has five Project Impact communities. These communities partner with local businesses and organizations to educate homeowners and professionals about home retrofitting, to do hazard mapping, to set-up better communications systems for disaster situations, to disaster-proof schools, and to help businesses prepare for disasters. These actions are effective. These actions save lives and property and businesses.

The amendment I offer today restores Project Impact funding for fiscal years 2002 and 2003. Funding for Project Impact for the next 2 years will allow us to better evaluate its success. Last year, Congress passed legislation to authorize a pre-disaster mitigation
program. If Project Impact is not meeting the nation's needs for such a program, we will have the next 2 years to develop a program that will meet our goals.

The Bush administration recommended other budget cuts for FEMA as well. I am especially concerned the administration's budget would reduce the Federal cost-share for hazard mitigation grants from 75 percent to 50 percent. Communities covered by a Federal disaster declaration can access hazard mitigation grants to repair or replace damaged public facilities and infrastructure. These grants help to ensure that future disasters will not cripplle critical facilities infrastructure and services. The grants allow communities to make the investments when they are most likely to be effective. If the federal cost-share falls from 75 percent to 50 percent cash-strapped States and localities will not be able to afford to use all available grants. This means more homes will be lost, more jobs and businesses will be lost after a disaster, and more Federal spending will be needed to pick up the pieces when the next disaster strikes.

The amendment I am offering will fix this cost-share problem and will restore Project Impact, so that communities across America can take steps today to prevent damage tomorrow. I urge my colleagues to support this important amendment.

Mr. DOMENICI. As modified, this also is budget neutral and we are willing to accept it.

Mr. CONRAD. Mr. President, we support this amendment on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the Murray amendment, No. 231, as modified.

The amendment (No. 231), as modified, was agreed to.

Mr. BOND. Mr. President, I thank the managers for the efficient way they have been handling business. Last night they passed amendment No. 210 which dealt with restoration in wrap-up, they passed amendment No. 231 which dealt with business. Last night managers for the efficient way they have been handling business.

Mr. ALLEN. Mr. President, I ask unanimous consent of the Senate to make an amendment to the Murray amendment.

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

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

Mr. ALLEN. I ask unanimous consent to be shown as an original cosponsor.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN] proposes an amendment numbered 285.

Mr. ALLEN. Mr. President, I ask unanimous consent of the Senate to make an amendment to the Murray amendment.

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

The amendment is as follows:

(Purpose: To provide for an Education Opportunity Tax Relief Reserve Fund)

At the appropriate place, insert the following:

SEC. 5. RESERVE FUND FOR EDUCATIONAL OPPORTUNITY TAX RELIEF.

(a) In General.—In the Senate and the House, the Chairman of the Committees on the Budget, Finance, and Appropriations, as well as the Ways and Means Committee, shall, for the purposes of this section, be the official or officials who have custody of the reserve fund.

(b) Limitation.—The Chairman shall not have custody of the reserve fund if the amount in the reserve fund exceeds the amount determined by subtracting the amounts in subsections (a) and (b) from the total amount of the reserve fund.

(c) Budgetary Enforcement.—The Reserve fund shall be included in the budget, but the amount in the reserve fund shall not be subject to the budgetary enforcement provisions of this Act.

Mr. ALLEN. This amendment is an amendment to empower parents in education spending, especially if they have children in kindergarten through 12, in purchasing technology such as computers, educational software, internet access, and tutoring services. The amendment had some problems on the other side of the aisle. This amendment was never intended to allow a tax credit for tuition. I very much appreciate the work of the staff of Senator DOMENICI and the folks with Finance. I appreciate working with Senator CONRAD and Senator RIEP, and Senator DASCHLE brought forward some of the problems this would cause with a flood of further amendments. I thank the President of the Senate, Senator MILLER, for his support and Senator NELSON of Nebraska.

I say to the fellow Members of the Senate I was hoping to achieve a goal and I will continue to do so and hope the Finance Committee, when acting on tax relief, will take into account giving tax relief to hard-working families who have children in schools. We need to reduce their tax burden. Parents ought to be making education decisions for their children. This idea is supported by the technology community, and it also helps bridge the divide to make sure that all children have computers at home and make it more affordable to have computers at home and access information on the Internet. Again, it should not be used for tuition.

Mr. DOMENICI. I thank the distinguished Senator from Virginia, Mr. ALLEN. The way he has worked on this, it is obvious this is not the last we will hear of it. From this Senator's standpoint, I hope we will hear more about it.

Mr. ALLEN. I ask unanimous consent to withdraw my amendment for another day on the tax committee, and hopefully they will have this for parents and education spending and technology for our youngsters across our Nation.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

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

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

Mr. DOMENICI. Mr. President, I understand Senator CLINTON wants to comment on the amendment adopted in her behalf.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 328, AS MODIFIED

Mrs. CLINTON. Mr. President, I rise today to thank the chairman and ranking member of the Budget Committee for supporting an amendment that I believe is so important to safeguard the food supplies in our country and thereby safeguard our children from the growing threat of contamination.

Presently we enjoy one of the most safe food supplies in the world, but we are clearly not immune to the threats we read about every day in our newspapers.

I saw a recent headline in the New York Times that the public does have reason to be alarmed. The Times reported that there are only 400 inspectors to investigate problems at the 57,000 plants in our country. Because of this lack of resources, the FDA inspect manufactures only once every 8 years. The American people deserve better than that. So this important measure will strengthen our food safety infrastructure by increasing the number of FDA inspectors so high-risk sites can be inspected annually and would also step up research and surveillance to identify the sources of contamination and track the incidence of contamination and track the incidence of contamination and track the incidence of contamination.
foodborne illnesses to help us better meet emerging threats from abroad.

Finally, it would protect against cuts in a funding line for the Department of Health and Human Services and Department of Agriculture food safety initiatives and ensure sufficient funds in the cases of threats from food safety emergencies.

I am very pleased the administration changed its announced policy yesterday about testing the ground meat in our Nation's schools. I thank them for that reversal because clearly there is nothing more important than providing our children with safe food, and particularly in our schools. I am very pleased that in a bipartisan way we have adopted this amendment which I think will go a long way towards easing the concerns and fears of so many parents in ensuring a safe food supply for generations to come.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

AMENDMENT NO. 253, AS MODIFIED

Mr. DOMENICI. Mr. President, we are prepared to call up amendment 253, Senator LINCOLN's amendment. We ask unanimous consent it be in order to modify the amendment and send a modification to the desk.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mrs. LINCOLN, for herself, Mr. CONRAD, Mr. LEAHY, and Ms. LANDRIEU, proposes an amendment numbered 253, as modified.

Mr. DOMENICI. 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:

On page 19, line 15, increase the amount by $4,000,000,000.
On page 19, line 16, increase the amount by $1,000,000,000.
On page 43, line 11, decrease the amount by $1,000,000,000.
On page 43, line 12, decrease the amount by $30,000,000.

Mr. DOMENICI. We have no objection to this amendment. It is budget neutral.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent Senator LANDRIEU and myself be added as original cosponsors on the previously considered Lincoln amendment.

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

AMENDMENTS NO. 205, 207, 209 EN BLOC

Mr. CONRAD. Mr. President, I send three amendments to the desk on behalf of Senator BYRD. I ask they be considered en bloc.

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

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] for Mr. BYRD, proposes amendments 205, 207, 209 en bloc.

Mr. CONRAD. I ask unanimous consent the reading of the amendments be dispensed with.

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

The amendments (nos. 205, 207, and 209) en bloc are as follows:

AMENDMENT NO. 205

(Purpose: Increase discretionary education funding by $100,000,000 to improve the teaching of American History in America's public schools)

On page 4, line 17, increase the amount by $55,000,000.
On page 4, line 18, increase the amount by $20,000,000.
On page 5, line 8, decrease the amount by $55,000,000.
On page 5, line 9, decrease the amount by $20,000,000.
On page 5, line 21, increase the amount by $55,000,000.
On page 5, line 22, increase the amount by $20,000,000.
On page 6, line 9, increase the amount by $55,000,000.
On page 6, line 10, increase the amount by $20,000,000.
On page 6, line 11, increase the amount by $110,000,000.
On page 6, line 12, increase the amount by $250,000,000.
On page 5, line 9, decrease the amount by $270,000,000.
On page 5, line 10, decrease the amount by $110,000,000.
On page 5, line 11, decrease the amount by $160,000,000.
On page 5, line 12, decrease the amount by $110,000,000.
On page 5, line 21, increase the amount by $180,000,000.
On page 5, line 22, increase the amount by $270,000,000.
On page 5, line 23, increase the amount by $250,000,000.
On page 5, line 24, increase the amount by $110,000,000.
On page 5, line 25, increase the amount by $180,000,000.
On page 6, line 9, increase the amount by $180,000,000.
On page 6, line 10, increase the amount by $270,000,000.
On page 6, line 11, increase the amount by $250,000,000.
On page 6, line 12, increase the amount by $180,000,000.
On page 6, line 13, increase the amount by $110,000,000.
On page 6, line 26, increase the amount by $1,000,000,000.
On page 25, line 7, increase the amount by $180,000,000.
On page 25, line 11, increase the amount by $180,000,000.
On page 25, line 15, increase the amount by $270,000,000.
On page 25, line 19, increase the amount by $250,000,000.
On page 25, line 23, increase the amount by $180,000,000.
On page 26, line 3, increase the amount by $110,000,000.
On page 43, line 15, increase the negative amount by $1,000,000,000.
On page 43, line 16, increase the negative amount by $30,000,000.

AMENDMENT NO. 207

(Purpose: To increase resources in Fiscal Year 2002 for building clean and safe drinking water facilities and sanitary wastewater disposal facilities in rural America)

On page 4, line 17, increase the amount by $60,000,000.
On page 6, line 10, increase the amount by $30,000,000.
On page 16, line 5, increase the amount by $150,000,000.
On page 16, line 6, reduce the negative amount by $60,000,000.
On page 16, line 9, reduce the negative amount by $60,000,000.
On page 16, line 12, reduce the negative amount by $30,000,000.
On page 43, line 15, increase the negative amount by $150,000,000.
On page 43, line 16, increase the negative amount by $60,000,000.
On page 48, line 8, increase the amount by $150,000,000.
On page 48, line 9, increase the amount by $60,000,000.

AMENDMENT NO. 209

(Purpose: To increase investments in Fossil Energy Research and Development for Fiscal Year 2002)

On page 4, line 17, increase the amount by $60,000,000.
On page 6, line 10, increase the amount by $30,000,000.
On page 16, line 5, increase the amount by $150,000,000.
On page 16, line 6, reduce the negative amount by $60,000,000.
On page 16, line 9, reduce the negative amount by $60,000,000.
On page 16, line 12, reduce the negative amount by $30,000,000.
On page 43, line 15, increase the negative amount by $150,000,000.
On page 43, line 16, increase the negative amount by $60,000,000.
On page 48, line 8, increase the amount by $150,000,000.
On page 48, line 9, increase the amount by $60,000,000.
Cicero stated: 
...to be ignorant of what occurred before you were born is to remain always a child.

For what is the worth of human life, unless it is woven into the life of our ancestors by the records of history?

I am not the only one who recognizes the importance of teaching American history. Many groups are interested and have expressed support for this grant program. Representatives from the National Council for History Education, the National Coordinating Committee for the Promotion of History, the American Historical Association, and National History Day have all expressed enthusiasm for this grant program. They are very supportive of this effort.

So, for those reasons, I offer this amendment to the budget resolution to increase Function 500 (Education) by $100 million in Fiscal Year 2002.

Mr. BYRD. Mr. President, the State of California has been beset by an energy crisis. We see daily reports of rolling blackouts, epidemic shortages of electricity, and, most recently, utility rate hikes, which for some customers would mean an increase in their electric bill. And, as bad as things are now, it is only going to get worse this summer when the weather heats up and demand for electricity increases. Moreover, the problems being faced today in California are not limited to that state. On the contrary, this crisis threatens other parts of the country as well.

Given that situation, one would think that policymakers here in Washington would be focused like a laser on the idea of increasing energy supplies while at the same time trying to stem demand. The Bush Administration is working to put together a national energy policy. But, until the President's Energy Task Force completes its work and its recommendations are translated into law, the only guidance we have from the Administration is that which can be gleaned from official statements and the sparse information contained in the so-called Budget Blueprint.

Mr. President, I am deeply concerned with where this Administration is going, because what I hear with my ears is not the same as what I read with my eyes. When I listen to the President and his senior cabinet officials, I am at a loss to reconcile their verbal pronouncements with what the Administration has proposed by way of its budget. Let me give you some examples.

On February 27, just five weeks ago, President Bush came up to Capitol Hill, and he spoke to the American people before a joint session of Congress. In that address, the President laid out several policy goals, not the least of which was the need for a national energy policy that would enhance this nation's security. During his speech, the President said:

Our energy demand outstrips our supply. We can produce more energy at home while protecting our environment, and we must produce more energy to meet demand, and we must. We can promote alternative energy sources and conservation, and we must. America must become more energy independent, and we will.

Little more than two weeks ago, on March 19, the Secretary of Energy reiterated the problems with supply when he spoke to the U.S. Chamber of Commerce here in Washington. At an event billed as a National Energy Summit, the Secretary Abraham stated flat out that this nation had an energy supply crisis. He went on to say that that supply crisis was not the fault of depleted natural resources; the United States has not run out of coal, or natural gas, or oil. Rather, in the Secretary's opinion, it was "political leadership that has been scarce."

Consequently, when I hear these statements, I can't help thinking that this administration is truly committed to increasing our supply of domestic energy. I was heartened by these comments because I believed they meant that the President and the Secretary would understand that the only way we were going to get more supply is through the use of newer and better technology. And, the only way we can get better technology is through the kind of investments in research and development being done by the Department of Energy.

I regret to say, however, that I may have been wrong. I may have overestimated the administration's commitment to increasing domestic energy supplies, particularly, if those increases do not come easily or cheaply. The Budget Blueprint does not appear to include the increases in supply that the President and the Secretary say we need. Why? Because, in its budget plan, the White House has drastically pulled back from a whole-hearted dedication to research and development.

The proposed budget for the Department of Energy's Office of Fossil Energy would underfund—severely underfund—many of our most important fossil energy research programs. It is true that the President will carry through on his promise of proposing $2 billion over the next ten years for the Clean Coal Technology program, a program I started in 1985 and one which has been one of the most successful public/private partnerships ever created, because, quite candidly, when fulfilling his campaign promise related to clean coal, the President will do so at the expense of the other gas, oil, and coal research programs.

Specifically, the Budget Blueprint states that Clean Coal funding, which the Secretary of Energy has said would amount to $150 million in FY 2002, "...would come from a consolidated budget that redirects research funds from the current Fossil Energy research and development coal budget, matched with balances in the Clean Coal technology account. ..." However, the "balances" in the Clean Coal...
account the blueprint talks about are only $33.7 million, less than 2 percent of the $2 billion commitment. Consequently, we must conclude that, for all intents and purposes, the entire cost of the Administration’s Clean Coal proposal is going to come at the expense of basic research and development in the areas of coal, natural gas and oil.

For Fiscal Year 2001, Congress provided $445 million in Fossil Energy Research and Development funding. Taking $150 million for Clean Coal funding out of that $445 million amounts to a 34 percent cut and would devastate the kind of research that is critical to this nation’s energy security.

How is one to reconcile this inconsistency? On the one hand, the Administration is adamant that our domestic energy supplies must be increased. Yet, at the same time, it fails to fund the research necessary to make that happen. The natural gas everyone wants to get their hands on is not going to rise from the ground by itself. Nor is the coal that currently supplies fifty-four percent of our nation’s electricity. There may be those who wish it were not so, but the fact is that coal remains today—and will for the next several decades—our nation’s cheapest and most abundant energy resource. But we cannot get to those domestic energy resources and we cannot get them out of the ground in an economical and environmentally sound manner unless we are willing to invest in the research that will make the technology possible.

Thus, the amendment I am offering today will restore the $150 million in fossil energy research and development that is so important to this nation’s energy independence. This amendment, which I urge my colleagues to support, would increase the budget authority allocations for Function 270, the Energy Function, by $150 million in Fiscal Year 2002.

We do not need to wait for the Administration’s Energy Task Force to tell us that we need more domestic energy. That is a fact we already know. The President knows it, the Secretary of Energy knows it, and, I suspect, the people of California now know it. Adopting my amendment will be the first step in ensuring that this nation has the energy it needs. I urge my colleagues to support this amendment so that we can get about the task of ensuring that what is happening in California does not spread throughout the United States.

AMENDMENT NO. 209

Mr. BYRD. Mr. President, I am today offering an amendment to the Senate Budget Resolution for fiscal year 2002 that would increase domestic discretionary spending for rural water and wastewater programs. In all parts of the nation, there are men, women, and children who live every day without the basic necessities of clean, safe, drinking water or sanitary wastewater disposal. This is a great nation, and we have witnessed tremendous gains in prosperity for much of our population. It would, therefore, surprise a great many of us to realize the poor living conditions with which many Americans have to face day in and day out.

The United States Department of Agriculture administers a program through its Rural Utilities Service that provides loans and grants to rural communities with populations less than 10,000 to help establish, expand, or upgrade water and wastewater systems in all states. This program is one of the most successful of all federal programs. It has, perhaps, the best loan default rate within the federal government, it provides a new incentive catalyst for economic development, and it helps combat conditions which put the health of Americans at risk.

But even more important than all those attributes, it would help erase the chasm that separates the “haves” from the “have-nots” across our land. Consider for a moment how most of us take for granted the clean glass of water that we can draw from our nearest faucet. Consider how most of us expect our streets and waterways to be free from flows of raw sewage. Then imagine yourself in small communities and rural areas all across America where clean water means dipping a glass in a rain barrel and wastewater disposal means the nearest ditch. America is greater than that.

In 1997, the Environmental Protection Agency released a report on unmet wastewater improvement needs in rural areas of this country. That document estimated that nearly $30 billion was needed to establish or upgrade systems necessary to avoid runoff of failed septic systems, or worse, from polluting our rivers and streams and posing serious threats to public health. The EPA is now working on a new report on this subject, due to be released in the coming year, and I fear that we will learn that the costs necessary to correct these sad conditions have seriously increased.

In February of this year, the EPA issued a new report on the state of unmet drinking water needs across America. That document finds that for rural areas and communities of 10,000 or less, the total unmet need is nearly $48 billion. Of that total, $33.5 billion has been identified as an immediate need. Even with the surpluses now before the Congress, we may not be able to meet this entire need overnight, but we can, indeed, do better than we have.

As of last month, the Rural Utilities Service at the Department of Agriculture had a backlog of applications awaiting funding totaling nearly $800 million in grants and $2.2 billion in loans. This backlog, which has skyrocketed in this fiscal year, includes applications from every state and I know every Senator is aware of the size of the backlog. My friend from Alaska, the Chairman of the Senate Appropriations Committee knows how important this program is to rural Alaskan Native Villages. My friend from New Mexico, Chairman of the Senate Budget Committee, knows how important this program is to the Colonias region of his state. I can provide many more from my home state of West Virginia. The amendment I am offering will provide a modest investment in the health and security of the American people. By increasing the total budget authority of this program by $1 billion—which is a mere 2 percent of the outstanding need identified in February by the EPA for drinking water systems alone—we can begin to help speed up services to rural families in every state. With an additional $1 billion, we can make gains in meeting the ever-increasing demands of unfunded applications at the Department of Agriculture. There are certain functions of government that go straight to the basic fabric of the social contract, and helping provide all Americans with the basic necessities of life is paramount among them. My amendment supports this noble role of government, and I ask all Senators to join me in its passage.

Mr. DOMENICI. Mr. President, we have no objection to the amendments being adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 205, 207, 209) en bloc were agreed to.

Mr. DOMENICI. Mr. President, I ask all Senators to join me in its passage.

Mr. CONRAD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 317

Mr. DOMENICI. Mr. President, we call up amendment 317.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from New Mexico (Mr. DOMENICI, for Mr. GRAHAM, and Mrs. HUTCHINSON), proposes an amendment as follows:

(Purpose: To extend the Temporary Assistance for Needy Families (TANF) Supplemental Grants for fiscal year 2002)

On page 4, line 2, increase the amount by $30,000,000.

On page 4, line 16, increase the amount by $80,000,000.

On page 4, line 17, increase the amount by $25,000,000.

On page 4, line 18, increase the amount by $25,000,000.

On page 4, line 19, increase the amount by $25,000,000.

On page 4, line 20, increase the amount by $25,000,000.
Mr. HUTCHINSON. Mr. President, I suggest the absence of a quorum.

Mr. DOMENICI. Mr. President, there is nothing further on our side to be added. The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 317) was agreed to.

Mr. DOMENICI. I thank both Senators for their cooperation.

Mr. President, I say to the ranking Member that Senator SCHUMER still has an issue.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, we understand that Senator STABENOW is next in line, and we understand that she is going to talk about an amendment and withdraw it when she is finished.

Ms. STABENOW. That is correct.

Mr. DOMENICI. I yield the floor. The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 313

Ms. STABENOW. Mr. President, I rise today with an amendment that I wish we were able to pass at this moment. I realize the votes are not here. But in order to demonstrate grave concern on this side of the aisle about what is happening to the Medicare trust fund, I submit with Senator BOB GRAHAM, a leader on this issue, an amendment that would protect the Medicare Part A trust fund by raising a point of order on the process, and hopefully it will be put into place before we are finished with this budget resolution.

It is supported by the American Health Care Association, and the American Hospital Association.

I ask unanimous consent that two letters in support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:


Hon. BOB GRAHAM, U.S. Senate, Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the 12,000 non-profit and for-profit nursing facility, subacute, assisted living, and ICP/MR providers represented by the American Health Care Association nationwide, I am writing to strongly support your amendment to the FY 2002 Budget Resolution.

Your amendment to require a 60-vote majority in the Senate to approve new programs that tap into the Medicare Part A trust fund is critical to protecting the trust fund from new spending programs that would threaten its viability. As we saw from the bankruptcies that followed the BBA of 97, funding levels for skilled nursing facility patients cannot withstand additional cuts to the program that may be forced if additional benefits are financed out of the HI trust fund. Indeed, the only way to ensure the adequate financing of all of our valuable programs is to increase funding to Medicare Part A.

The approximately 2 million Medicare residents who receive skilled nursing care in our homes every year depend on the solvency of the program. The skilled nursing and rehabilitation services we provide are often the difference between life and death for our patients.

Your amendment is critical to “keeping the promise” our country made to the seniors who pay billions of dollars in Medicare taxes each year.

Sincerely,

WILLIAM R. ABRAMS, Chief Operating Officer.


Hon. BOB GRAHAM, U.S. Senate, Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the American Hospital Association (AHA), I write to strongly support your amendment to the FY 2002 budget resolution requiring a “super majority” of 60 votes in the Senate in order to spend Hospital Insurance (HI) Trust Fund dollars for non-Part A services.

Your amendment is critical to “keeping the promise” our country made to the seniors who pay billions of dollars in Medicare taxes each year.

Sincerely,

Chief Operating Officer.
Mr. DOMENICI. Mr. President, I want everybody in the Senate to know that I don’t have a sign. I can’t put up a sign about our position. But I want everyone to know that we are as concerned about not spending the Medicare Part A trust fund as anybody. Republicans don’t take a backseat on that issue. This budget does not spend any of the funds that are being alluded to. So the sign could be placed on our side of the aisle, and we would agree with it.

Actually, I don’t think we need to explain our position. We will just do it with our words. We don’t need the amendment. It has been withdrawn. Frankly, the budget takes care of that problem. The Republicans are united. We are not going to spend Medicare funds for anything other than Medicare.

I yield the floor at this point 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. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. STABENOW. Mr. President, we have been trying all week to pass a prescription drug plan under Medicare to update it. We don’t support raiding it, which is what is happening now. We need to be putting in place prescription drug coverage under Medicare. It came before this body on Tuesday with a 50-50 vote. Unfortunately, the tie vote was not cast. Instead, we now find ourselves in a situation where Medicare is being used as a contingency fund.

This is not the direction in which the American people wish us to go. We need to be strengthening and updating Medicare, not dipping into it and spending it as part of a contingency fund.

Unfortunately, with the President’s budget and tax cut combined, it is impossible to do what has been suggested without using the Medicare trust fund.

That is my concern.

The message that the American people want us to send loudly and clearly is that we need to update Medicare. We need to strengthen it. We don’t need to raid it. We need to update it, not raid it. I am very hopeful that this will be the goal and the ultimate conclusion.

I know that is what we have been fighting for on this side of the aisle since this budget process began.

I yield the time and ask unanimous consent that the amendment be withdrawn.

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

Mr. DOMENICI. Mr. President, I want to take a moment while we have some time to congratulate the leaders of the House. I understand there are 275 cosponsors in the House of Representatives for this particular tax cut or tax relief.

There are many good ways to give Americans tax relief. We have heard that debate now on this floor—from the marriage penalty relief, to marginal tax relief, which I support, to estate tax relief or reform—but I want to take a moment to thank Senators and House Members who continue to speak out for this adoption tax credit—to extend it, to double it, and to fix it so that it works for foster care children and so that we give families a broad choice, if they have made that terrific decision to adopt children, to help them with the initial expenses, which can be quite high.

In fact, there are families who, as you know, travel to many parts of the world, and not only are there expenses associated with the agencies or the attorneys or facilitators with whom they are working but also there are the travel expenses.

So this $10,000 tax credit we are proposing—it is $5,000 now, and we propose to double it, extend it, and make it work, which was the original intent of the law—for children being adopted out of foster care. It is something we have debated this week and will continue to debate.

I know Senator GRASSLEY, the chairman of the committee, Senator BAUCUS, our ranking member, Senator BREAUD, and others have expressed an interest in being able to include this particular item in the tax package that is finally passed. I know there are many families in Louisiana, in Georgia, the State of the Presiding Officer, and in all of our States who would welcome our fixing, extending, and doubling this tax credit because it can make the difference in finding a child a home who perhaps would never otherwise be able to find one and helping those parents with at least some of the expenses associated with the cost of raising children today.

So I am really very hopeful. There is no amendment pending, but there is language that hopefully will be included in this final package.

I thank the managers for giving me time to talk about this important issue. Again, I want to recognize the great support in the House of Representatives—by both Republicans and Democrats—for this particular tax credit.

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

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

April 6, 2001
CONGRESSIONAL RECORD—SENATE 5865
Mr. DOMENICI. Mr. President, awhile ago I spoke in opposition to the amendment Senator GRAHAM had originally offered that I believe the Senator from Michigan withdrew a while ago. I am not sure when I spoke in opposition to it that I had the microphone on. If you wouldn’t mind, may I restate that statement for 30 seconds. When I spoke previously I wasn’t sure we were heard, which was my fault, no one else’s.

There was a sign up on that amendment with reference to Medicare that we want to make sure we don’t take anything out of Medicare and spend it on anything else or use it for tax cuts. I said: We don’t have a sign. All we can do is use our words.

I repeat them: There is nothing in this budget that we intend to in any way spend Medicare money on other than Medicare. That has been our commitment; that will remain our commitment. We will not spend Medicare money on anything other than Medicare. We won’t violate that at any time in this budget.

Frankly, I will repeat it every time we have an opportunity. Those supporting this budget, when we finish to- night, need not have any fear that we are going to in any way minimize the totality of that Medicare fund. It will be there.

With that, I am prepared to move on to another amendment. I thank the Chair.

AMENDMENT NO. 303

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Mr. THOMAS, Mr. BAUCUS, Mr. ENZI, Mr. JOHN- son, Mr. DOMENICI, and Mr. CONRAD, proposes an amendment numbered 303.

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

The amendment is as follows:

aPurpose: To establish a reserve fund for permanent, mandatory funding for Payments In Lieu of Taxes and Refuge Revenue Sharing

Insert at the appropriate place the following:

SEC. 4. RESERVE FUND FOR PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING.

If the Committee on Energy and Natural Resources of the Senate reports a bill, or an amendment thereto is offered, or a conference report thereon is submitted, that provides full, permanent, mandatory funding for Payments In Lieu of Taxes for entitlement lands under chapter 69 of title 31, United States Code and for Refuge Revenue Sharing, the chairman of the Committee on the Budget of the Senate may increase the aggregates, functional totals, allocations and other appropriate levels and limits in this resolution, by up to $833,000,000 in new budget authority and outlays for fiscal years 2002 and $7,097,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, provided that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment, as well as Senator CONRAD.

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

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, Senators THOMAS, BAUCUS, ENZI, and JOHN- son are also cosponsors of the amendment.

I thank my colleague for his strong support for this effort, as well as Senator CONRAD. What this deals with is the payments in lieu of taxes which are very important for counties in States such as our own where there are substantial amounts of Federal property. There is no tax base, essentially. There is no way for those counties to raise the funds needed to operate county government.

This has been a program for some years, and we have recognized this, but we have not made the funds permanent. This year in this session of Congress, we are going to try to pass legislation which would authorize permanent funding for this. If we are able to then we would like to have that permitted here for consideration by the Senate.

This is budget neutral. This does not change the figures in the budget, but it is a very important initiative and one that I believe strongly the Senate ought to approve.

I appreciate the support of all my colleagues and all the cosponsors and urge colleagues to support the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 303) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, this amendment is budget neutral. Clearly, there is nothing added. This amendment says if in the future certain things happen to the PILT fund such that it is higher than in this budget, a downward adjustment can be made for the amounts I understand, as one of the cosponsors, that that is all the amendment does. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we see this as a budget-neutral amendment because of the language of the amendment that provides that only if the Committee on Energy and Natural Re- sources reports a bill that provides full, permanent, mandatory funding for PILT, this actually comes through the authorizing committee.

On that basis, this is an important amendment. With payment in lieu of taxes, the Federal Government has made a commitment to those localities within which they have property that they are going to be a good neighbor, that they are going to pay the taxes anybody else would pay.

I salute the Senator from New Mexico. This is an important amendment that says the Federal Government keeps its word. It is as simple as that. I thank the Chair and yield the floor. I commend the Senator from New Mexico.

AMENDMENT NO. 218, AS MODIFIED

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to go in whatever order the format is. If it is appropriate at this time, I will go now.

Mr. CONRAD. Mr. President, this would be an appropriate time for the Senator from Massachusetts to offer his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Senators BINGAMAN, WYDEN, Edwards, Rockefeller, Corzine, MURRAY, and CLINTON and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KEN- NEDY], for himself, Mr. BINGAMAN, Mr. WYDEN, Mr. EDWARDS, Mr. ROCKEFELLER, Mr. CORZINE, Mrs. MURRAY, and Mrs. CLINTON, proposes an amendment numbered 218, as modified.

The amendment is as follows:

On page 3, line 2, increase the amount by $6,000,000,000.
On page 3, line 3, increase the amount by $6,000,000,000.
On page 3, line 4, increase the amount by $7,000,000,000.
On page 3, line 5, increase the amount by $7,000,000,000.
On page 3, line 6, increase the amount by $8,000,000,000.
On page 3, line 7, increase the amount by $8,000,000,000.
On page 3, line 8, increase the amount by $8,000,000,000.
On page 3, line 16, decrease the amount by $6,000,000,000.
On page 3, line 17, decrease the amount by $5,000,000,000.
On page 3, line 18, decrease the amount by $7,000,000,000.
On page 3, line 19, decrease the amount by $7,000,000,000.
On page 3, line 20, decrease the amount by $8,000,000,000.
On page 3, line 21, decrease the amount by $8,000,000,000.
On page 3, line 21, decrease the amount by $8,000,000,000.
On page 4, line 5, increase the amount by $6,000,000,000.
Mr. BINGAMAN. Mr. President, I thank the Senator from Massachusetts for offering this amendment. This is a very important amendment. We have over four million children in this country who do not have health insurance. Of course, their parents do not as well. One way to get those children covered with health insurance is to get their parents eligible, too. This program tries to do that. There are 129,000 of these children who are uninsured in my own State.

I yield the floor.

Mr. DOMENICI. Mr. President, we need to have a quorum call for a little while while Senators meet. We are just going to have to wait a while.

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. CONRAD. Mr. President, I ask unanimous consent that the pending amendment be withdrawn.

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

Mr. DOMENICI. I ask unanimous consent that the pending amendment be withdrawn.

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

The amendment (No. 218) was withdrawn.

Mr. CONRAD. Mr. President, to alert colleagues, we are getting close to the end of our business on the budget resolution. I want to alert colleagues that we still have a few matters that require working out so that we can conclude business. I ask staff who are working on those amendments to inform the managers as to the status of those works in progress so that we can conclude business expeditiously. I don’t know if the chairman has an observation or statement at this point. I think we are very close to being able to conclude our business.

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

Mr. DOMENICI. Mr. President, first, let me say I am very grateful to everybody for being accommodating. We are just about ready to adopt the budget resolution. We have two amendments that are being worked on. They should be worked out soon. I don’t think it will be very long before we start the vote. We will be ready to wrap it up. While that is continuing on the other side, and they have amendments they are going to be working on, I want to say this process is a very tough process. It is very difficult when you have five or six votes to spare on one side or the other. It is difficult when it is tied and, as a matter of fact, when you have 50 Senators on each side of the aisle and you are attempting to pass a budget resolution—actually, on a budget resolution, a lot of things are voted on that don’t mean what they say.

But we have gotten into the habit of doing that, so everybody thinks they do what they say. We will try to get out of conference as quickly as we can. It is my understanding that we have resolved the issues on that side.

Mr. CONRAD. Mr. President, I say to the chairman, the amendment we previously discussed, the Bingaman amendment, as modified—the Senator’s side has a copy of that. This is the low-income heating assistance amendment. We dealt with the PILT amendment. We would be prepared to deal with this one as well and be closer to a conclusion.

AMENDMENT NO. 302

Mr. DOMENICI. Mr. President, the Senator is correct. Senator BINGAMAN has an amendment No. 302 regarding LIHEAP. I ask that it be appropriate to modify that amendment. Two of the cosponsors are Senators MUKOWSKI and JEFFORDS. I ask that I be made a cosponsor also.

I send this amendment to the desk. The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Mr. CANTWELL, Mr. DAYTON, Mr. DORGAN, Mr. DURBIN, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Ms. LINCOLN, Mr. REID, Mr. ROCKEFELLER, Mr. SCHUMER, Ms. STABENOW, Mr. DOMENICI, Mr. CONRAD, Mr. MUKOWSKI, and Mr. JEFFORDS, proposes an amendment numbered 302, as modified.

The amendment is as follows:

On page 32, line 15, increase the amount by $2,600,000,000.

On page 32, line 16, increase the amount by $2,600,000,000.

On page 43, line 15, decrease the amount by $2,600,000,000.

Mr. DOMENICI. Mr. President, this is neutral.

Mr. CONRAD. The Senator is correct. I also would like to be shown as an original cosponsor, if I might. I ask unanimous consent for that.

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

Mr. CONRAD. Mr. President, if I might indicate to the chairman, we have one amendment on our side, the
Graham SSBG amendment. It is being modified in accordance with the request of the other side. As I understand it, the Senator is on his way to the floor with that amendment. That would bring us even closer to conclusion.

Mr. DOMENICI. The Senator is correct. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I understand that on the Bingaman LIHEAP amendment we did not complete action; is that correct?

The PRESIDING OFFICER. The Chair informs the Senator that is correct.

Mr. DOMENICI. We have no objection on this side.

Mr. CONRAD. We have no objection on this side. In fact, we support it on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 392), as modified, was agreed to.

Mr. CONRAD. Mr. President, we modified the amendment. Now we need to move to consideration of the amendment.

The PRESIDING OFFICER. It was adopted. It has been agreed to.

Mr. CONRAD. I thank the Chair.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 316, AS MODIFIED

Mr. CONRAD. Mr. President, our final amendment on this side is an amendment from the Senator from Florida. If we can go to that amendment, we will be very close to completing amendments on this side.

Mr. DOMENICI. I ask the distinguished Senator, has he modified the amendment so it is budget neutral?

Mr. GRAHAM. It is. We made that modification.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, briefly, this amendment fulfills a commitment that the Congress made in 1996 to the States upon the adoption of Welfare-to-Work, and that is that we would support the Social Services Block Grant Program which is a program within Social Security which has provided for a number of important programs that have assisted people on welfare, getting to work, and particularly child care programs. This has broad support. Senators Hutchison, Grassley, Collins, Snowe, Rockefeller, Carnahan, Murray, Schumer, Wellstone, Kennedy, Landrieu, Kerry, and Bingaman are among the cosponsors of this amendment. I believe it has broad bipartisan support. I urge its adoption.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mrs. Hutchison, Mr. Grassley, Ms. Collins, Ms. Snowe, Mr. Rockefeller, Mrs. Carnahan, Mrs. Murray, Mr. Schumer, Mr. Wellstone, Mrs. Landrieu, Mr. Kerry, and Mr. Bingaman, proposes an amendment numbered 316, as modified.

The amendment is as follows:

(Purpose: To restore the Social Services Block Grants to $2.3 billion in accordance with the statutory agreement made in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996)

On page 27, line 3, increase the amount by $680,000,000.

On page 27, line 4, increase the amount by $680,000,000.

On page 43, line 15, decrease the amount by $680,000,000.

On page 43, line 16, decrease the amount by $680,000,000.

The PRESIDING OFFICER. Does the Senator seek recognition?

Mr. DOME. Only to say we have no objection to the amendment. As drafted, it is budget neutral, and we accept it on our side.

The PRESIDING OFFICER. Are there any other comments concerning this amendment?

Without objection, the amendment, as modified, is agreed to.

The amendment (No. 316), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 317, AS MODIFIED

Mr. REID. The amendment (No. 317), as modified, was agreed to.

The amendment (No. 317), as modified, was agreed to.

Amtrak

Mr. BIDEN. Mr. President, as we debate the budget resolution, I rise today with the distinguished Senators from Texas, South Dakota, Mississippi and Massachusetts to bring to the attention of our colleagues the urgent need to provide Amtrak and the states with the stable source of capital funding they need for a national system of high speed rail corridors. Specifically, we would like to discuss the need for action on S. 250, the High Speed Rail Investment Act of 2001. We introduced this legislation earlier this year, and already more than 50 of our colleagues from both sides of the aisle have signed on with us.

This bill is cosponsored by both the majority and minority leaders, which brings me to the point of my comments. As we are considering the budget resolution, that will set our priorities for this year’s session of Congress.

Last December, on the very last day of the last session, I took the floor to discuss identical legislation with Senator Lott, Senator Daschle, and other leaders of our body. Our leaders were grateful for the commitment to bring this legislation to the Finance Committee, on which they both serve, and to the Senate floor, during this session.

For reasons beyond our control, we could not include important legislation in the omnibus appropriations bill, but many of us in the Senate, and I was among them, would not take “no” for an answer. My great friend Senator Roth, along with Senators Moynihan and Lautenberg, had worked too long on this issue to let this die.

While we could not get this done last year, we got the next best thing: the word of our leaders, on both sides of the aisle that this legislation would be on their list of priorities for this year. So as we discuss our priorities in this budget resolution, it is important to hear from them that the High Speed Rail Investment Act is still on that list.

I yield to Senator Hutchison, who has done so much to promote rational, efficient surface transportation in this country, including the indispensable component of passenger rail.

Mrs. HUTCHISON. I thank the Senator from Delaware. I join with him in thanking our leadership for their commitment to us at the end of the last Congress. As we discuss the budget resolution, it is important to make it clear, on the record, that our determination to pass the High Speed Rail Investment Act this year, as soon as possible, is as strong as ever.

With all our key modes of transportation are under stress today. From our overcrowded highways to our packed airports, we are losing billions of dollars in wasted time just trying to get to where we need to go. And lying right alongside those crowded highways, running right past those overloaded airports, are neglected rail lines that could be carrying passengers between our nation’s cities.

That is why so many Senators have already joined us in support of our legislation, and that is why the nation’s governors, mayors, state legislators, and many others support us, as well.

In this budget resolution, which establishes the overall priorities for this session of the Senate, makes room for the commitment they made here on the floor last year.

Does the distinguished minority leader care to respond?

Mr. DASCHLE. I will be happy to respond to my good friend, the distinguished Senator from Texas. She, and my colleague from Delaware, Senator Biden, are correct. Last session we got the next best thing: the word of our leaders, on both sides of the aisle that this legislation would be on their list of priorities for this year. So as we discuss our priorities in this budget resolution, it is important to hear from them that the High Speed Rail Investment Act is still on that list.

I yield to Senator Hutchison, who has done so much to promote rational, efficient surface transportation in this country, including the indispensable component of passenger rail.

Ms. COLLINS. I thank the Senator from Delaware.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 318, AS MODIFIED

Mr. REID. The amendment (No. 318), as modified, was agreed to.

The amendment (No. 318), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 319, AS MODIFIED

Mr. REID. The amendment (No. 319), as modified, was agreed to.

The amendment (No. 319), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 320, AS MODIFIED

Mr. REID. The amendment (No. 320), as modified, was agreed to.

The amendment (No. 320), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 321, AS MODIFIED

Mr. REID. The amendment (No. 321), as modified, was agreed to.

The amendment (No. 321), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 322, AS MODIFIED

Mr. REID. The amendment (No. 322), as modified, was agreed to.

The amendment (No. 322), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 323, AS MODIFIED

Mr. REID. The amendment (No. 323), as modified, was agreed to.

The amendment (No. 323), as modified, was agreed to.

Mr. REID. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.
critical to Amtrak’s future and to the economic health of the Northeast and many other areas of the country.

Last week, I discussed that issue with members of my caucus. We had a very spirited discussion on the morning of December 15, and I know how strongly they support Amtrak and this legislation. We kept our promise and re-introduced this praiseworthy legislation earlier this year with 51 original cosponsors. Amtrak supporters will not give up on passing it and we promised to help them accomplish this task. I yield the floor to the majority leader.

Mr. LOTT. Mr. President, I thank the Senator for his comments. I could not agree more with the Senator from Massachusetts. Senator KERRY. The leaders are exactly right. There was a lot of passionate dialogue in our caucus last year about the High Speed Rail Investment Act, and the minority leader listened to all of us very carefully. Our caucus, I must say, was united in its commitment to the notion that those of us who cared about this innovative bonding legislation needed to have some kind of response. But I think the important question is how we could proceed with this legislation. I am pleased with the commitment made by the leadership last year, and I am pleased with the quick introduction and overwhelming support for this legislation this year. I am also very grateful for the majority leader’s commitment.

As summer approaches, intercity travelers can look forward to bottlenecked highways and airports strained beyond capacity. Is it any wonder that Amtrak’s ridership is on the rise? But in order to improve our ability to travel the country without delay, the Federal Government needs to provide business travelers and vacationers with a third option. At the moment, the Federal Government invests in road-building and air transportation, but only about 5 percent of our transportation budget over the last 30 years has gone to help Amtrak provide top-quality intercity rail service. We’ve got to do more in order to have a truly intermodal transportation network, and a large majority of this body recognizes that fact.

Fifty-six Members of the Senate are now cosponsors of this legislation, Mr. President. As I have said many times before, high-speed rail is not a partisan issue. It is not a regional issue. It is not an urban issue. So I look forward to building on the legacy of Senator Moynihan and Senator Lautenberg and completing what is absolutely essential for this country, which is a high-speed intercity rail system of which the Nation can be proud.

Mr. BOND. Mr. President, I thank Senator FEINSTEIN for her comments. Our goal here is simple: We must, once and for all, treat children’s hospitals the same as we do other teaching hospitals when it comes to funding physician training. This year, that means Congress must fully fund the Pediatric GME program as its authorized level of $235 million in fiscal year 2002.

Two years ago, Congress finally recognized this need by passing legislation I sponsored with my friend, former Senator Kerrey of Nebraska, to authorize the children’s hospitals GME initiative. Over the last couple of years, I have led the effort to fund this important initiative.

Last year, Congress appropriated $235 million for the children’s hospitals GME program—not quite enough for full parity with other teaching hospitals, but a good step forward. This year, we must need to continue that momentum and finally treat all teaching hospitals equally. If it is important to train a doctor who treats adults, it’s equally as important to train a doctor who treats children. We must make our policies reflect that important principle, and I am confident we can get there this year.

I see the Senator from Massachusetts on the floor, and I ask if he has any thing he wishes to add. Mr. KENNEDY. I thank Senator BOND for his comments. I could not agree more with the Senator from Missouri. We must work together to fully fund the Pediatric GME program at $235 million in fiscal year 2002.

Independent children’s hospitals are experiencing very serious financial challenges that affect their ability to sustain their missions. In addition to the financial challenges associated with their academic programs, they include challenges in covering the higher costs of sicker patients in a price competitive marketplace, meeting the costs of...
uncovered services such as child protection services and poison control centers, and assuming the costs of devoting a large portion of their patient care to children from low-income families.

On average, independent acute care children's hospitals devote nearly half of their patient care to children who are assisted by Medicaid or are uninsured. They devote more than 75 percent of their care for children with one or more chronic or congenital conditions. For children with rare and complex conditions, independent children's hospitals often provide the majority of care in their region or even nationwide.

Furthermore, independent children's hospitals—including Boston Children's—serve as advocates for the public health of children, and they are essential to the health care safety net for children of low-income families. Our children are our most vulnerable patients. Pediatricians and pediatric specialists provide a crucial voice for these children who are not able to ensure their own health care. Without funding the GME program, independent children's hospitals will no longer be able to ensure that our children receive state-of-the-art care targeted to their special needs.

I ask the Senator from Ohio, Mr. VOINOVICH. Mr. President, last year, my colleague from Ohio, Senator DEWINE and I introduced the Department of Defense Civilian Workforce Re-alignment Act. The purpose of this legislation was to expand, extend, and expand the Defense Department's limited authority to use voluntary incentive pay and voluntary early retirement in order to restructure the civilian workforce to meet missions needs and to correct skill imbalances, especially in high skilled fields. Given the significant numbers of eligible Federal retirees the Department will face in just a few short years, we believed then and now that the Department needs the ability to better manage this extraordinary workforce transition period. Just as important, this smoother transition period would allow for better and more effective development of our younger workers, who will have a better chance to learn and gain from the expertise of the older generation of innovators. A similar bill was introduced by our Ohio colleagues in the House, Congressmen DAVE HOBBIN and TONY HALL.

After discussions with the chairman of the Armed Services Committee, Senator WARNER, we included language in the fiscal year 2001 Defense authorization bill to allow for voluntary early retirement authority and voluntary separation incentive pay for a total of 9,000 Department of Defense civilian employees for fiscal year 2001 through 2003. This language provided, at least initially, the critical new flexibility to the Department of Defense to better manage its civilian workforce. However, this language simply gave the Department the authority to initiate the program in fiscal year 2001 utilizing discretionary funds, but required that "the Secretary of Defense may carry out the program authorized by this section for fiscal years 2002 and 2003 with respect to workforce restructuring only to the extent provided in a law enacted by the 107th Congress."

Senator DEWINE and I intend to work closely with Chairman WARNER, and the Ranking member of the Committee, Senator LEVIN to ensure that the necessary workforce restructuring provisions are enacted this year. I see my colleague from Ohio on the floor, and would yield to him for any comments.

Mr. DEWINE. I thank my friend from Ohio for yielding, and agree with his comments. The reason why we had to settle on limited language in last year's defense authorization bill is mainly because our initial legislation required mandatory, or direct spending, which must be provided for as part of the budget resolution. The actual direct spending involved, according to the Congressional Budget Office, amounts to $82 million through fiscal year 2011. So, as my colleague from Ohio would agree, we are seeking a minimal amount to provide the Defense Department with the maximum flexibility needed to meet its workforce challenges. We are hopeful that the Bush administration will call for this financing as part of the fiscal year 2002 defense budget, and for that reason, we have been working with the chairman of the Defense Committee, Senator DOMENICI, to ensure that the necessary direct spending amounts are assumed in this year's concurrent resolution. I see Senator DOMENICI on the floor, and will yield to him at this time.

Mr. DOMENICI. I thank the two Senators from Ohio for their interest and hard work in this important issue. This is a matter that impacts a number of states that are home to civilian employees of the Defense Department, including New Mexico. I know my colleagues from Ohio have been working on this issue for several years, and I agree that this is a problem that needs to be fixed. As this budget resolution assumes the President's budget, if the President's budget accommodates the direct spending necessary for this program, then the Senators from Ohio can assume that this budget resolution accommodates this program. So, the Senators from Ohio can be sure that if this matter is addressed in the President's budget, I will work with them to be sure that the final budget resolution we will work out with the House will accommodate the increases and new programs in the President's budget for important programs, such as this one.

Mr. VOINOVICH. I thank the Chair of the Budget Committee for his comments, and look forward to working with him and Senator DEWINE to ensure this assumption is maintained in the final budget resolution approved by Congress.

LONG-TERM CARE STAFFING SHORTAGE

Mr. JOHNSON. With the many priorities we have to cope with, I simply like to point out that we cannot lose sight of the need to address the very critical problem of labor shortages plaguing our health care providers both in my State, and all across the Nation.

It is important that the budget resolution we ultimately pass address these labor shortages.

In my own State of South Dakota, for example, it is not uncommon to have the 100 percent turnover rate for Certified Nursing Assistants—clearly that's a crisis that should not and cannot continue if we are going to maintain quality care for seniors. And for anyone who doesn't know what the Certified Nursing Assistants do—they are the ones who provide the front line, bedside care to the frail and elderly. A very difficult and demanding job.

Another major problem is that the average starting salary for South Dakota's certified nursing assistants is just $7.32 per hour, and the average wage is $8.10 per hour.

Mr. GREGG. We have similar problems in New Hampshire, and I agree...
with my colleague that we have a shortage of trained health care workers, particularly those who provide care to our nation’s elderly. If this problem is not addressed, the viability of our nation’s entire health care system will be threatened.

Mr. JOHNSON. Just as bad, and yet another problem that creates a parallel crisis, is the fact that many states—including my own—simply do not have realistic Medicaid reimbursement rates.

In my state, Medicaid provides the resources for more than two out of three patients in nursing homes. South Dakota’s average daily Medicaid reimbursement rate is $83.78 per patient, which, in fact, is a $17.34 shortfall from covering the actual cost of care. It’s simply not plausible for $83.78 per day to cover the cost of care, room and board, three meals a day, medicine, specialized equipment and other critical needs.

The net result of these artificially low Medicaid reimbursement rates is that the squeeze affects all difficult labor and staffing situation—and these problems feed on themselves to make matters very, very problematic for our health care providers.

Until we begin increasing Medicaid reimbursement rates to levels higher than we pay a babysitter, for example, this squeeze will continue and seniors will be threatened.

Mr. GREGG. Like your State of South Dakota, New Hampshire is currently plagued by low Medicaid reimbursement rates. Skilled nursing facilities caring for our frail and elderly are expected to take this meager reimbursement rate and provide 24-hour care, room, board, meals, and some therapies, as nursing homes come out of this cost as well. So it is no surprise that the average Certified Nurse Assistant turnover rate is approximately 80 percent.

In New Hampshire, the livable wage for a single parent with two kids is $18.92 an hour. The average starting salary of a Certified Nursing Assistant starts at $8.50 an hour, and the average salary is $10.26. Skilled nursing facilities in our state have their hands tied over how much they can pay due to low reimbursement rates. We simply must invest in the care of our frail and elderly, I hope Congress will address this problem of long term care staffing shortage.

RESTRICTIONS ON ADVANCE APPROPRIATIONS

Mr. WARNER. I bring to your attention, my concern about a provision in the House version of the Concurrent Budget Resolution, H. Con. Res. 83, concerning restrictions on advance appropriations. The Senate provision more properly addresses this issue. The House provision (Section 13) is extremely vague and restricts both the Congress and the Administration concerning the funding of capital projects using advance appropriations. As you prepare to conference the Fiscal Year 2002 Concurrent Budget Resolution, I urge you to take this matter seriously.

Mr. LOTT. I strongly concur with the Chairman of the Armed Services Committee on this issue, and also urge that the Senate provision on advance appropriations be included in the final conference report.

Mr. SESSIONS. As Chairman of the Seapower Subcommittee, I fully support the Senate provision concerning advance appropriations in the Concurrent Budget Resolution. I think it is important that members have tools such as advance appropriations available to consider as a financing option for capital projects such as building ships.

Ms. SNOWE. I want to thank the distinguished Chairman of the Budget Committee for his consideration and cooperation in this very important matter as well as the distinguished Chairman of the Armed Services Committee and Majority Leader for bringing this issue to my colleague’s attention. The Senate version reinforces the President’s budget blueprint for advance appropriations as a full funding mechanism that can be used by various departments, such as the Department of Energy, the Department of Transportation, and the Department of Defense, and agencies, such as NASA, to level fund capital projects. Without this valuable tool, the ability of Congress to fund the ships and their systems. I believe the Administration threatened to veto appropriations bills unless increases in funding were provided using the mechanism of advance appropriations. The provision is included in the House version to close that loophole.

Despite its strong support for this provision, the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office of Management and Budget has indicated its willingness to examine specific programs, on a case by case basis, to determine whether an advance appropriation is merited for programmatic reasons.

My office has talked to OMB officials as recently as this morning on this issue. They are willing to work with the Appropriations Committee and the Budget Committee over the recess to meet and determine whether an advance appropriation would be granted an exception to the rule. If an agreement could be worked out acceptable to all the parties, I believe the Budget Committee should have the flexibility to consider it in conference if it so chooses.

Mr. SPECTER. Mr. President, if the distinguished Chairman of the Budget Committee is willing to review this matter with OMB and the Appropriations Committee, there are several issues I hope he will consider. First and most important, the practice last year provides that the lead time stations need to line up programs that may take up to two or three years to produce—programs like Baseball and the Civil War that are years in the making. In other words, advance funding encourages prudent planning.

Second, it allows the stations to use the availability of federal funds to leverage private sector funding both through foundations and viewer fund-raising to maximize the resources available for quality programs. And, lastly, advance funding reduces the potential of political interference in programming decisions.
DEDUCTIBILITY OF STATE AND LOCAL SALES TAX

Mr. THOMPSON. Mr. President, Section 205 of the Balanced Budget Act of 1997 made the state sales tax deductible against Federal income tax. New Mexico raises the deductibility of state and local sales taxes, because federal tax laws discriminate against residents of states like mine that choose to raise revenue primarily through sales tax, because federal tax law does not permit a deduction for state and local sales taxes. Federal tax law does provide a deduction for state and local income taxes, however. Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, income, sales and property. This deduction was based on the principle that imposing a tax on a tax is unfair. The Tax Reform Act of 1986 eliminated the deductibility of state and local sales taxes, but retained the deduction for state and local income taxes. My bill is simply intended to address this inequity in the tax code. According to a March 2000 Joint Committee on Taxation revenue estimate, the cost of allowing individuals to deduct either their state and local sales taxes or their state and local income taxes, but not both, is $25.1 billion over 10 years.

It was my intention to offer an amendment to the Senate budget resolution similar to Section 17 of H. Con. Res. 83, expressing the sense of the Senate that the Committee on Finance should consider legislation to make State sales taxes deductible against Federal income tax.

Earlier this year, I introduced the AMT and Tax Deduction Fairness Act of 2001, S. 291. My bill would allow individuals to deduct either their state and local sales tax, or the state's local income taxes on their federal tax return, but not both. Currently, the federal tax laws discriminate against residents of states like mine that choose to raise revenue primarily through sales tax, because federal tax law does not permit a deduction for state and local sales taxes. Federal tax law does provide a deduction for state and local income taxes, however. Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, income, sales and property. This deduction was based on the principle that imposing a tax on a tax is unfair. The Tax Reform Act of 1986 eliminated the deductibility of state and local sales taxes, but retained the deduction for state and local income taxes. My bill is simply intended to address this inequity in the tax code. According to a March 2000 Joint Committee on Taxation revenue estimate, the cost of allowing individuals to deduct either their state and local sales taxes or their state and local income taxes, but not both, is $25.1 billion over 10 years.

It was my intention to offer an amendment to the Senate budget resolution similar to Section 17 of H. Con. Res. 83, expressing the sense of the Senate that the Committee on Finance should consider legislation to make State sales taxes deductible against Federal income tax.

Mr. THOMPSON. Mr. President, the Senate from Tennessee has raised an important issue, and I pledge to work with my colleague during the conference on the budget resolution to include language regarding the deductibility of state and local sales taxes.

Mr. THOMPSON. I thank the Senator from New Mexico for his assistance.

Mr. BYRD. Mr. President, over the past few years, we have heard a great deal of promises made regarding the FY 2002 budget resolution. As I have listened to the arguments made in support of this budget resolution, I am reminded of a scene from Jerome Lawrence and Robert E. Lee's play, Inherit the Wind.

On a sultry summer evening in a small town, two men sit in rocking chairs, reminiscing about their childhoods. One man tells the other of a beautiful rocking horse that he had longed for as a child. That rocking horse—Golden Dancer—shimmered in the sunlight that streamed through a storefront window. Knowing the rocking horse would cost his father a week's wages, the young boy harbored little hope of ever owning that magnificent steed—expecting that it would always lie just beyond his reach, behind the storefront glass. But knowing of their son's dream, his father worked nights and his mother scrimped on groceries to buy that rocking horse. On the morning of his birthday, he awoke to find, at the foot of his bed, the rocking horse of his dreams, Golden Dancer. He hopped out of bed, jumped into the saddle, and began to rock. Almost in an instant, the rocking horse split in two. The wood was rotten. The whole thing had been put together "with spit and ceiling wax. All shine and no substance . . . all glitter and glamour." That's how I feel about the promises made regarding this budget resolution and the approximately $1.5 trillion tax cut it authorizes.

Mr. President, it was not too long ago that the American people were being enticed by the glittering promises of another Republican Administration. In 1981, President Reagan promised that massive tax cuts would balance the budget and reinvigorate an economy plagued by unemployment and inflation. Congress approved the Reagan economic plan. I even voted for it. I called that vote the time President Reagan "is the new President, give him a chance." But four years later, I stood on this floor and spoke of my regret at having cast that vote.

That was in 1985, the year President Reagan had proposed a balanced budget. In fact, according to the Reagan Administration's 1981 projections, our nation was supposed to be enjoying a $500 million surplus in FY 1984, a $6 billion surplus in FY 1985, and a $28 billion surplus in FY 1986. Instead, the nation recorded a $135 billion deficit in FY 1984, a $212 billion deficit in FY 1985, and a $221 billion deficit in FY 1986. As a result, President Reagan's deficit surplus estimates for FY 1982-FY 1986 fell short of their targets only $221 billion. That golden promise of a bright fiscal reward turned out to be mere fool's gold.

The American economy was in shambles. In 1982 and 1983, the annual unemployment rate was 9.7 and 9.6 percent, respectively, the highest rates recorded since 1950. In 1983, while America's wealthy were reaping the largest share of the national income since World War II, businesses and businesses were falling at a record breaking pace. Our savings rate was the lowest in four decades, and our national trade deficit was ascending to a record high. There were record poverty rates in that year as well.

Instead of beginning to pay off the federal debt, our debt obligations had more than doubled, soaring from $1 trillion in 1981 to $2.1 trillion in 1986. In 5 years, the Reagan Administration, with its sacred tax cut, accomplished what it took the previous 39 presidential administrations the entire history of the United States to do—increase the Federal debt by a trillion dollars.

In 1981, then-Senate Republican Leader Howard Baker had called the Reagan economic plan a "river boat gamble." It is clear that the country had lost the bet.

It took the hard-nosed, realistic 1993 Democratic plan to put America's economic house back in order. That was a real budget, a budget of hard choices and hard decisions, including tax increases. Democrats understood the political fall out that would come from raising taxes. No one really wanted tax increases. No one ever does. But we put the country first, we did what was necessary to cut the deficit, and we paid for it in the 1994 congressional elections.

I call that 1993 budget a Democratic budget because not one single Republican in either the House or the Senate, voted for it. The Republican Senate Leader at the time claimed that the budget did "not tackle the deficit." Another Republican Senator said: "the plan cannot help the economy." Another even used the dreaded "R" word,
claiming that it was a “one-way ticket to a recession.” And yet another Republican Senator said of the tax increases that befell the budget: “We made a mistake; these higher rates will cost (American) jobs.”

Yet, no recession came. There were eight years of solid economic growth, eight years of job growth. We finally achieved a balanced budget, and we are paying off the national debt.

Now, 20 years after the 1981 Reagan fiscal disaster, a new Republican Administration is making the same glittering promises to the American people. The Senate today was asked to buy another “Golden Dancer.” This budget resolution looks alluring sitting in the store window. But all that holds it together are the spit and ceiling wax of rosy ten-year surplus projections and unrealistic assumptions.

Mr. President, I have already spoken at length this week about how the Senate has considered this year’s budget resolution with maximum hurry and minimal information, debate, and opportunity for amendment. First, the Budget Committee—for the first time ever—was not allowed to draft a budget resolution. Instead, one was presented to the Senate by the Chairman of the Budget Committee and his party’s leadership. Second, the Senate considered this budget resolution without the benefit of the President’s budget, which means that the Senate has no way of knowing what programs will be cut to make room for these massive tax cuts.

The most egregious example of this can be found as a footnote on page 188 of the President’s budget outline, A Blueprint For New Beginnings, at the bottom of Table S-4. The footnote notes: “The magnitude of offsets has yet to be determined.” Until April 9th, when the Congress receives a detailed copy of the President’s budget, the Senate has no way of knowing what the specific reductions will be for $20 billion in spending cuts that are proposed on page 188 of the President’s “Blueprint” for this year’s budget.

What we do know is based on what was presented to us by the Budget Committee Chairman and the Republican leadership in the form of this budget resolution. I believe should be reflected in the Senate today. At this point in the process, we do not know the details of a final budget. I have some serious reservations about the priorities and assumptions contained in this resolution. At this point in the process, we do not know the details of a final budget. Rather, the Senate is only voting on a blueprint, not a completed budget document.

I have a statement of principles that I believe should be reflected in the final budget proposal. I believe that these principles are necessary to maintain the consensus that the Senate works so hard to achieve. Street economic realities that Americans talk about at their dinner tables.

My first principle is that the budget must provide sufficient resources for
our national security. We have a solvency obligation to provide enough resources for those American military personnel who have volunteered to risk their lives to defend the rest of us.

For too many years, the Clinton Administration neglected the people who volunteered for military service. But with the increases and surpluses we have freed up from eliminating waste and inefficiency in the defense budget, we can make progress toward restoring the morale and readiness of our Armed Forces.

Currently, the Administration is undertaking an extensive review of our defense needs and necessary reforms. I want to make certain that the budget provides the resources for these overdue reforms, but also recognize that in the near term our air, sea, and land forces need to be substantially strengthened. That is why I supported the amendment by Senator LANDRIEU to substantially increase our defense budget for the next ten years.

The second principle that will guide my judgement of a final budget is tax relief for those who need it the most, lower- and middle-income working families. I am in favor of a tax cut, but a responsible one that provides much-needed tax relief for lower and middle-income families.

I agree with the President that consumer debt is a massive problem for working Americans. If there is an economic downturn, I am concerned that debt will overwhelm many American households. That is why tax relief should be targeted to middle-income Americans. The more fortunate among us have less concern about debt. It is the parents struggling to make ends meet who are most in need of tax relief.

I hope that when the reconciliation bills are reported out of the Senate Finance Committee, the tax cut outlined will also address the pressing issues such as the child tax credit, reduction of the marriage tax penalty, payroll tax reform to lighten the burden of this tax on hard-working Americans, and estate tax reform that will take into account the effect such reform will have on our robust charitable community. For this and other reasons, I support a $5 million cap with regard to the estate tax cut.

In this tax debate, we should avoid class war rhetoric, but a final budget plan should reflect Main Street realities. The Senate Finance Committee should firmly resist granting tax relief that benefits the special interests and K Street lobbyists at the expense of lower- and middle-income American taxpayers.

That kind of tax relief I would never support. Third, the budget must provide for future obligations in Social Security and Medicare. Reforms are urgently needed in both programs, but we must have the resources to pay for them.

For the first time in history, economic projections show a surplus of $3.1 trillion over the next ten years, except for the Social Security and Medicare Trust Funds. At the same time, we know that the Social Security system is projected to be bankrupt by about 2037 and Medicare will be broke around 2023, leaving millions of elderly Americans without the promised benefits they need to live comfortably in their retirement years. I am concerned that this budget resolution uses none of the surplus to shore up Social Security, does not use enough to shore up Medicare, and does not provide the resources needed to support reforms of these entitlement programs that will ensure their long-term solvency.

My fourth principle is paying down the national debt as possible. In an event, Americans believe it is conservative common sense to meet your financial obligations. Lower federal debt means lower interest rates on consumer loans, especially lower mortgage payments so people will have more money to spend or save.

I applaud the resolution’s goal of reducing the level of debt held by the public by nearly $2.4 trillion from a level of $3.2 trillion today to $818 billion in 2010. But I believe that we should use even more of the non-Social Security surplus in the early years to reduce the federal debt burden on future generations, given these surplus projections in the out years could be significantly off.

My fifth principle is restraining spending, which Federal Reserve Chairman Greenspan warns could “resurrect the deficits of the past.” Many of the specific funding assumptions in the resolution are laudable, but I have identified tens of billions of dollars of pork earmarks and appropriation bills over the past several years—earmarks that never went through a merit-review process. Because of the compelling need to deal with the problems in Social Security and Medicare, we should look within the budget to eliminate waste in order to fund higher priority requirements, rather than spend the entire surplus on more government.

I am pleased to note that the resolution includes a provision to ensure Congress complies with the revenue and spending levels in the resolution to limit budgetary gimmicks such as a new scoring rule that prevents the use of advanced appropriations to circumvent spending limits.

I also fully support President Bush’s intention to eliminate funding for earmarks in his first budget.

While I am concerned that this budget resolution rests on uncertain surplus projections that will surely be affected by a changing domestic and world economic environment, this is just a resolution, not a final budget. In the coming weeks and months, I look forward to working with the Administration and my colleagues for a budget that reflects the principles that I outlined to the Senate this morning.

I thank the Chairman and Ranking Member of the Budget Committee for conducting the debate in a civilized and constructive manner. The reconciliation bill that results from this budget blueprint should provide for needed defense and tax relief for the American taxpayer, adequate funding for Social Security or Medicare reform, significant debt reduction, and spending restraint.

Mr. LIEBERMAN. Mr. President, I rise to speak about our country’s future and how it is being determined in the debate over this budget resolution. H. Con. Res. 83, which I oppose.

At this propitious moment, we face a set of choices, both pleasant and consequential, about what to do with this projected surplus. It is as hard as a nation to accumulate. The question is, how do we make the projected surplus work best for us? How do we take advantage of this extraordinary opportunity today to strengthen our economy and country for tomorrow, to expand this prosperity and security for generations to come?

It is my view that this Congress must implement an effective long-term vision. The central point I want to make today is that as we develop a budget, we need to be concerned with more than just a tax plan. We need a strategic blueprint for how to extend and expand our economic growth and how to widen the circle of opportunity and security to allow more Americans to share in the nation’s prosperity.

Unfortunately, that blueprint is not coming from our Republican colleagues or from the White House. The President has put forward a tax cut that was designed 15 months ago, in the midst of the Republican primaries, when one of his opponents, Steve Forbes, was promoting flat taxes. The Bush tax plan abandons fiscal responsibility and blithely spends, indeed, overspends, a projected surplus whose size six months down the road is unclear, to say nothing of its dimensions 10 years later. It is a tax plan that gives the most to those who need it least and leaves little or nothing for making the kinds of investments that will secure and brighten our future. Our Republican colleagues have put together a partisan budget blueprint that simply accommodates the President’s tax cut.

But neither the Bush plan nor the Republican budget are right for our country. They will waste the wealth our nation has earned over the last eight years and send us back down the road to debt, higher interest rates, and higher unemployment. They cannot answer the big questions of what kind of country we want to be ten years from now, because they do not ask the right
questions. They lack vision and therefore squander this moment’s opportunity.

The Republican Budget Resolution does not protect the Social Security or Medicare trust fund surpluses. It claims to set aside $53 billion for a “contingency fund” in order to prevent Congress from spending the Social Security and Medicare surpluses; however, that amount is not sufficient to maintain current policies, such as extending expiring tax credits, reforming the alternative minimum tax, and providing agricultural assistance—and to pay for the cost of new initiatives such as a national missile defense system. Because of the excessive Republican tax cut and the inadequate size of this contingency fund, Congress may be forced to raid the Social Security and Medicare trust funds at some point. It is as if the Republicans have set aside the prospect of a return to budget deficits. The GOP budget imposes deep cuts on important programs. The Budget Resolution would cut non-defense discretionary spending by about $6 to $9 billion or two percent below the level needed to keep pace with what was provided last year, adjusted for inflation. Funding for environmental protection, disaster assistance, veterans’ medical care, Community Oriented Policing (COP’s) and the Army Corps of Engineers would be particularly hard hit.

The Republican budget also falls short on debt reduction. The Budget Resolution would reduce the publicly-held federal debt from $3.4 trillion at the end of Fiscal Year 2000 to $313 billion by Fiscal Year 2011. Many experts believe that the publicly-held debt could be reduced to under $500 billion, $300 billion more in debt reduction than proposed by the Republicans.

If we do not act this moment, we must have a clear vision and a long view of where we want to go, and how best to get there. We need a new approach, rooted in old values—the broadly cherished principles of freedom, opportunity, responsibility and community upon which this democracy was built—values so ingrained in our national consciousness as to transcend the rhythms of history. We must be guided by the promise of growth and opportunity that moved the pioneers, by the belief and faith that gave rise to the middle class, by the sense of responsibility to one another that has created good citizens and strong communities, and by that indefatigable American spirit of optimism and innovation that drives us forward in our pursuit of better lives and brighter vistas. What we need is a budget based on fiscal responsibility and wise investments, an agenda that empowers our citizens to succeed in the new economy that also guarantees their long term security.

We must begin with a fiscally sensible budget, a budget that places the highest priority on paying down the national debt. One of the most enduring lessons of the last 20 years is that debt reduction pays off in the long term. What we now have is a historic opportunity to be debt free by the end of this decade, which will keep interest rates down on home mortgages, car loans, credit card bills and student loans, loosening the budgets of millions of American families. Low interest rates also cut the cost for capital available for business innovation and expansion. We must set aside at least one-third of the projected surplus to continue to pay off America’s long-term debt. If the surplus does not turn out to be as large as we hope it will, then we will not have committed to obligations that might drive us into deficit spending again. The funds we set aside for debt reduction will become a rainy day fund.

The next steps would be to invest in the building blocks of our society and economy: defense, healthcare, the environment, education, scientific research and development, and a robust private sector. And yet, the Bush partisan budget does just the opposite.

For example, in healthcare the Bush budget would cut aid to the uninsured. By decreasing the funding for programs that increase access to health services for people without health insurance by 86 percent, the President jeopardizes the health and well being of the nearly 42 million Americans that cannot afford health insurance and will actually decrease their access to health care services. His budget also fails to provide an adequate prescription drug benefit, providing only $153 billion over 10 years to provide for a four year, low-income prescription drug benefit. CBO estimates this level of funding “won’t provide a great deal for any one person.” Instead, it gives us increasing access to health insurance and health care services . . . not cutting critical programs. I am committed to passing a prescription drug plan that meets the need of seniors.

I am also discouraged by the lack of funding that the Bush administration plans to designate for essential programs to protect our public health and environment. At the same time the Bush Administration has rolled back a number of regulations for protection in these areas and has walked away from its domestic and international commitments to address the problem of climate change, it also has slashed the funds available to the agencies responsible for these important issues. The amount the Republican Budget Resolution designates for these essential environmental programs is 15 percent below what is needed to maintain FY2001 spending power.

It is imperative that we put this funding back in the budget resolution. The amendment that I co-sponsored with Senator KERRY renewed the funding for the range of government programs intended to address our climate change problem. I thank my colleagues for recognizing the dire need for these programs, past, present, and future. I also supported the amendment sponsored by Senator CORZINE, which would have provided the funding that is needed for the full range of environmental programs. Mr. President, the protection of the environment is not a luxury item; we must not sacrifice it to pay for a tax cut.

This budget resolution also must recognize that skills and learning not only and productivity growth, but increasingly determine individual opportunity. We must concentrate our resolve and our resources on changing the way we teach and train our labor force. We need to start at the beginning and reform our K-12 system to realize the education potential of all our children. Congressional Democratic education proposals all provide more funding for our public schools than President Bush and the Republicans do, and that is undoubtedly because they spend much more on their plan, than he has left little over for other critical societal investments.

As we move forward, we can and should create a direct and progressive connection between taxes and education. Parents, workers and employees should be given tax credits to make lifelong learning easier. The expenses of employers investing in remedial education—to make up for failures in the performances of our K-12 school system—should be offset with a new education tax credit. And most importantly, I support tax relief for low- and middle-income families struggling to pay the cost of their children’s college education and their own mid-career retraining. These families should be allowed to deduct up to $10,000 of higher education costs from their income tax each year.

Equally as important are adequate funds for basic science and research and development. The American economy is the story of scientific innovation is central to our country’s economic growth. The story of the American economy is the story of scientific breakthroughs leading to economic growth. Yet, President Bush’s budget outline starves three of the greatest generators of innovation: ideas. The National Science Foundation, NASA, and the Department of Energy. For instance, the National Science Foundation is slated for a 1.3 percent funding boost, which is effectively a cut, since that increase is less than the rate of inflation. Rather than curtailing physical science R&D funding, we should be doubling the federal basic research investment over the next 10 years and promoting education initiatives to expand the technically-trained workforce. Increases in federal research dollars, at NSF, NASA, and DoE are critical to educating the next generation of scientists and engineers.
A visionary budget must allow for a tax package with a purpose. And that purpose must be above all else, to stimulate economic growth, to raise the tide that lifts the lot of all Americans. One-third of the projected surplus should be dedicated to tax reductions, some to reward working families and the rest to business. Tax cuts that stimulate economic growth and new jobs. In the spirit of the Innovation Economy, we should look to tax incentives that will spur the drivers of growth: innovation investment, a skilled workforce, and productivity—and there are many possibilities to consider.

In 1997, I supported reducing the capital gains rate to help reduce the cost of innovation investment in our economy, and I think it helped build our economy’s boom. I believe the capital gains rate should be reduced again. Eliminating capital gains entirely for long-term investments in start-up entrepreneurial firms would encourage a strong venture capital market, and the investment in new companies that is falling off now.

Small firms lagging behind their larger brethren in productivity growth should be given tax credits to invest in information technology. Small business accounts for 40 percent of our economy and 60 percent of the new jobs. But less than one-third of small businesses are wired to the Internet today. Those that are wired—and this is a stunning statistic—have grown 46 percent faster than their counterparts who are unplugged.

One of the most effective ways to spur business investment, productivity increases and economic growth is adjusting depreciation schedules in the tax code to more accurately reflect the lifetime of a product. For some classes of investments, particularly rapidly changing information technology equipment, current depreciation schedules do not reflect actual replacement rates, so companies that use technology must continue to carry an expense on their books long after the expenditure has ended its useful life. I suggest that, where appropriate, depreciation schedules should be shortened to reflect actual replacement rates.

Removal of economic and governmental barriers to the build-out of a broadband should be a top priority so we can erect the next stage of the IT infrastructure. Broadband offers new opportunities for new products, services, and efficiencies. We should offer a tax credit to get this new infrastructure build-out promptly.

Making the Bush tax credit permanent would encourage industry to invest in research and technological innovation. Additional reforms to the credit could make it more accessible to small businesses and start-ups and encourage more cooperative research consortia.

If we are successful in building on our prosperity, we will be able to guarantee the future of Social Security and Medicare. Everyone knows that strengthening Medicare will require increased spending, but the President’s tax cut reaches into the Medicare surplus, leaving scant hope for modernization, or a new, meaningful prescription drug benefit, as the President promised. While today’s workers will rely more and more on personal savings for retirement, for millions of Americans, Social Security is still the foundation of their old-age support. We must meet our obligations to our retirees, but we must also seek reforms that will make their retirements more secure.

A responsible, long-term budget also must be attentive to short-term challenges. While I am confident it is the inherent strength of our private sector that will do more to grow our economy out of its current dip, we in government can provide some help through Federal Reserve monetary policy and federal government fiscal policy. Finally, the administration and its congressional allies have acknowledged that the $1.6 trillion Bush tax cut plan would give nothing back to taxpayers this year and little next year. So now, they talk about wanting to add a one-year economic stimulus to their larger plan and pass the two together. Mr. President, as I have stated before, I fear that doing so would hold hostage the help our lagging economy needs now to a drawn-out congressional debate about the long-term Bush plan. In other words, help would not come until it was too late.

We need a fair, fast and fiscally responsible tax stimulus. Economists tell us that it would take a tax cut of at least $60 billion to have a positive effect on our economy this year. Current estimates are that the federal government will have a surplus of about $100 billion at the end of this fiscal year. September 30, so we can safely afford a $60 billion stimulus. I would divide that $60 billion by the 200 million Americans who paid income or payroll taxes last year and send each one of them a $300 check as soon as possible—a surplus dividend tax rebate that can give our economy and our national confidence the kick-start they need. That check would go to every number of a family who worked last year.

Ten years from now, we will be judged by the decisions we make today. People will ask, did we fully understand the awesome changes taking place in our economy and in our society? Did we direct our unprecedented surpluses into investments with the greatest returns? Did we give our workers the tools they need to seize the opportunities an innovation economy offers? And were we guided by those profound human values that have brought us this far?

If we keep that perspective in view from the vantage point of our daily lives, we’ll have a good shot at answering those questions affirmatively. But we must exercise discipline and follow through with our promise. We must make investments for our future before we take vacations. A short-term economic stimulus to help lift us out of this economic slowdown has to be followed by business tax credits and private investments to sustain longer-term growth. Only then, can we be confident of our ability to provide comfort and security to our parents and for a bright future to our children.

Ms. SNOWE. Mr. President, I rise today to thank the Chairman of the Budget Committee for provisions in his substitute amendment that reinforce President Bush’s budget blueprint for the use of advance appropriations as a mechanism for capital investment. The chairman’s extraordinary foresight will ensure that the option to use advance appropriations will still be available as a mechanism for Congress and Federal departments and agencies.

As described by OMB Circular A–11, advance appropriations is a funding mechanism, which together with funding in the current year, provides full funding of capital projects and scores following year funds as new budget authority in the year in which funds become available for obligation. This mechanism is used by various departments, such as the Department of Energy and the Department of Transportation, and agencies, such as NASA, to level fund capital projects. In addition, the Department of Defense is considering employing advance appropriations for capital projects in the future.

Section 13 of the House Budget Resolution recommends severely restricting the ability to use the method of advance appropriations by requiring a capital investment program be scored against 302(a) allocations and totaled in the year in which these appropriations are enacted. This differs from scoring the appropriations in the year in which it is obligated.

The flexibility to use the advance appropriations method is an important management tool that enables federal agencies and departments to score capital investment project appropriations in the year in which they are obligated rather than scoring the whole cost of the project in the year in which the appropriations are enacted. This option allows the federal government to make selected capital investments in much the way the American people would, and that is pay as you go. I urge my colleagues to support the advance appropriations provision included by our distinguished Budget Committee chairman in his substitute amendment.
CONGRESSIONAL RECORD—SENATE

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the attached letters of support for the Harkin-Wellstone amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:


HON. PAUL WELLSTONE, U.S. Senate, Washington, DC.

The Minnesota Governor’s Workforce Development Council (GWDC) is in support of your efforts to increase funding for workforce development programs in the FY2002 budget resolution.

As you know, Minnesota is experiencing a long-term labor shortage and, in some sectors, short-term economic slowdowns. The combination makes a particularly compelling case for federal support for workforce development efforts that benefit incumbent workers, new entrants into the labor market including new Americans, working families, and others seeking to advance their education and upgrade their skills.

Minnesota has worked hard to build a strong and dynamic workforce system. We are currently exploring several options to further strengthen our efforts through a reorganization of some state agencies and a shift toward more local decisionmaking about workforce investments. A constant theme we have heard during these discussions is that the federal resources for training and skill advancement are woefully inadequate.

We have successfully used Workforce Investment Act (WIA), Temporary Assistance to Needy Families (TANF), and Welfare-To-Work Block Grant funds, augmented by significant state resources, to transition thousands into the labor market and advance through the workforce. However, the broad workforce shifts coupled with significant dislocations right now, strains our resources. Additional federal funding would allow us to better serve Minnesotans who need skills training to advance, other training and support to enter the workforce, and training and education to transition to new jobs after a layoff. Additional investment by Congress now would go a long way toward moving us through the short-term dip in the economy and addressing our longer term workforce needs.

On behalf of the Governor’s Council, stakeholders in Minnesota’s workforce system, and your Minnesota constituents, I urge you to move forward with your efforts knowing that you have our support and confidence. If you need any additional information or assistance, please contact me directly or the GWDC staff Luke Weisberg (651-205-4728 or luke.weisberg@state.mn.us) or Kathy Sweeney (651-296-3700 or ksweeney@mgmail.de.state.mn.us).

Again, we applaud your efforts and appreciate your support on this and other issues.

Sincerely,

ROGER L. HALE, Chair.


Re Senate Budget Resolution—Amendment to Increase WIA Funding.

HON. PAUL WELLSTONE, U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of the Minnesota Workforce Council association federal support for workforce development efforts that benefit incumbent workers, new entrants into the labor market including new Americans, working families, and others seeking to advance their education and upgrade their skills.

We agree with you that now is the time to invest in workforce development! Unfortunately, President Bush’s budget blueprint indicates that funding for WIA programs would be significantly reduced.

Attached is a chart that highlights the funding trends over the past eight years, adjusted for inflation, for the Minnesota Job Services and the Minnesota Job Training Partnership Act (JTPA)/Workforce Investment Act (WIA). As you can see, funding for these key workforce development programs has significantly declined from 1993 to 2000. In Minnesota, using CPI adjusted numbers, we have experienced nearly a 60% reduction in funding for JTPA/WIA (FY 1993 = $34,991,000; FY 2000 = $14,522,000).

The Workforce Investment Act provides a structure for coordinating programs that are designed to help individuals escape poverty, achieve economic independence, and recover from job loss. Further, WIA provides a foundation for developing the skilled workforce that is critical to our long-term economic success. When Congress passed WIA, one of the key goals was to create a more integrated system that is flexible and responsive to the community needs. Through our one-stop Workforce Center System in Minnesota, we have started to realize the benefits of working cooperatively across programs to deliver better services to both job seekers and employers within our communities. Without adequate funding, we will not be able to realize the vision of a seamless workforce development system that meets the demands of both job seekers and employers.

Thank you for your efforts to secure additional funding for WIA programs. If the members of WICCA can be of further assistance, please contact Lee Helgen, MCWA Executive Director, at 651-224-3344.

Sincerely,

GORDON AANERUD, Carlton County Commissioner, Chair, Minnesota Workforce Council Association.


Senator PAUL WELLSTONE, U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: I am sending you this note to urge you to support the Kennedy/Harkin amendment to the Budget Resolution to increasing funding for the Workforce Investment Act programs.

Here in Hennepin County, Minnesota, we have seen a decline in the JTPA and then the WIA funding from $1,688,652 in 1984 to $234,779 in 1999. As a county of over 1 million people, the $234,779 of WIA program funds is not adequate to meet the needs of our constituents.

In the area of dislocated workers, the recent downturn in economic conditions has resulted in daily notices of layoffs from companies in and around Hennepin County. One of our major companies, ADC a major supplier to the telecommunications industry, had an initial layoff of some 500 people and last week indicated additional layoffs of another 400–500 people. This is just one example of many that we are seeing in our community where today’s economy is in the cornerstone of economic growth and prosperity and we believe that the Workforce Investment Act allows us to respond to the needs of employers and at the same time the opportunity for jobs that can support a family.

Again, we applaud your efforts and appreciate your support on this and other issues.

Sincerely,

ROGER L. HALE, Chair.
The outcomes for the Workforce Investment Act programs in our area are as follows:

- Enrolled: 238
- Program terminations: 194
- Placed in job: 154
- Average wage at placement: $10,92
- Cost per enrollment: $1,195.70
- Cost per job placement: $2,735.23

As you can see from the data, this program is cost effective, driven by performance standards and performs beyond the expectations set by Congress and the Department of Labor.

Again, I urge you to vote for the amendment at $1 billion per year over the next ten years.

Sincerely,

PETE MCLAUGHLIN,
Commissioner

Mr. ALLARD. Mr. President, I rise today to join my colleagues in the important dialogue surrounding the budget deficit. Recognizing the long-term social security for large government expenditures set by Congress and the Department of Labor.

Mr. KERRY. Mr. President, I rise today to speak on the budget resolution as well as an amendment I am offering which concerns the tax cut portion of the resolution. This week’s debate is quite likely the most important debate in this body we have had, and will have, for several years. What we have before us is a budget blueprint that would completely reverse the direction of the debt reduction, tax relief, and priority investments, the second option, the prudent and reasonable option, always wins.

But the reality is quite different. The American people are not so easily deceived. Thanks to a previous Administration that demonstrated the benefits for everyone of turning around government deficits, taxpayers understand and appreciate the undeniable advantages of fiscal discipline. That is why when one puts before the public the following question, should the government send the surplus back in a tax cut or divide the surplus equally between the prudent and reasonable option, always wins.

So let’s take a close look at the two options we have before us. This debate should not be about sound bites. It is far too important.

The two options are the Democrat-favored balanced budget approach based on principles of fairness, reasonable tax relief, and fiscal discipline or the Republican-favored approach of risky, back-loaded tax cuts dependent on surpluses which may or may not appear. Is this Democratic approach, as the able senior Senator from Texas...
calls it, just an excuse not to support a tax cut? Far from it.

For the last 6 years, fiscal discipline has made the turning around 300 billion dollar deficits into 200 billion plus surpluses. And what is a surplus, it is savings. It means the government is a net saver instead of a net debtor. It means that the federal government is buying back outstanding Treasury bonds from the public. The public turns around and invests that money elsewhere. In effect, every dollar of paid-down debt frees up a dollar for the public to invest in the private sector, the engine of growth.

With the government acting as a net saver rather than a debtor, inflation is held in check and interest rates come down. The benefits to the American people are real. Auto loan rates are lower, home mortgage rates are lower. Businesses have access to credit for investments, leading them to hire more workers and keeping unemployment down. As everyone from Greenspan to Rubin to Summers have recognized, it is a virtuous cycle.

So what we have before us today is an effort to reverse that cycle, an effort to revert to another era, a prior era. We have been down that road. Is that the direction we want to steer the country?

In the real world, a business would never write a check that it was not sure it could pay. But that is exactly what Republicans want to do with the biggest check of all. Let’s write the check now and hope that when it comes due, there will be enough money in the bank to pay for it. Would any self-respecting businessman manage his company in such a fashion? The answer is no.

The reality is that most of the Republican tax cut would not even take effect for several years, many provisions are so far into the future that they won’t show up in any IRS form you file for nine or ten years. Building an estate? Great. I just hope you don’t have the misfortune to pass away before 2011 because that is the year they repeal the estate tax.

Can we really afford the check they are writing? That is the $64,000 question. Economic and budget forecasting is something like a weather forecast. The further you go into the future and the more long-range the forecast, the less likely it is to prove accurate.

What we do know is that if productivity levels drop to their historical average, rather than staying at the levels they reached in the last few years, the surplus could fall by as much as $2 trillion.

And 84 percent of the surplus comes after the next presidential election. Or put another way, two-thirds of the surplus comes in the second five years of the 10-year projection.

But we need to pass a tax cut today to keep from spending the money. Last time I checked there were no spending proposals on the table that postpone their effective dates for 5 years. In the meantime we are making tax cuts that don’t take effect for another 5 years. Let’s pass a short-term tax cut, and if the money comes in like the rosy forecasts indicate, we can extend it when the date arrives.

I want to address some specific aspects of this budget before us. Back in February, we held a special joint session to hear our new President’s priorities for the future. President Bush stated, “Education is my top priority and, by supporting this budget, you’ll make it yours, as well.” The truth rests in the numbers. The Bush budget includes 40 dollars in tax cuts for every one dollar increase in education.

This budget resolution makes clear that an investment in education is a higher priority than addressing key priorities, such as education and child care and that his enormous tax cut crowds out significant investments in education.

Yesterday this body made significant strides toward increasing the budget numbers for education by reducing the tax cut. I am thrilled that the Senate voted to increase funding for important education priorities by $250 billion over 10 years. The majority leader has expressed his intention to attempt to overturn that vote later this week. I sincerely hope that that does not occur. The President’s budget does not include a sufficient investment in public education.

Despite the President’s claims, education funding in his budget does not keep pace with previous congressional funding increases for education. The President says that he is requesting an increase of $4.6 billion for education, and he takes great pride in claiming a 11.5 percent funding increase over the last fiscal year. But the President’s outline includes only a 5.9 percent increase at the program level. To put that in plain English, almost half of the increase that Bush is touting as his top priority would happen even if the budget didn’t pass and the appropriations process did not occur.

About $2 billion of Bush’s funding increase for his so-called “top priority” was forward-funded last year. So the actual increase in new spending that Bush is proposing is only about $2.5 billion. That is one-third the average rate of increase in education spending over the past four years, after adjusting for inflation. That is the area that the President has identified as his highest priority, education, and it would have its recent rate of growth reduced by two-thirds.

We don’t know yet exactly which education programs Bush will increase funding for, because none of us have seen the details of Bush’s budget. But he has said that he plans to provide funding for his reading first initiative, increase funding for special education, increase the maximum level of Pell Grants, increase funding for improving teacher quality, and provide more funding for character education. All of these are laudable goals and funding increases that I wholeheartedly support. But what about Title I funding? Does the President propose to increase funding for the most disadvantaged students? And what about after-school programs and making our schools safe?

One critically important initiative that we know the President’s budget will not make a priority is school renovation and construction. There is overwhelming need for school construction funding. Three-quarters of our schools are in need of repairs, renovation, or modernization. More than one-third of schools rely on portable classrooms, such as trailers, many of which lack heat or air conditioning.

Twenty percent of public schools report unsafe conditions, such as failing fire alarms or electric problems. At the same time our schools are aging, the number of students is growing, up nine percent since 1990. The Department of Education’s estimate is that 2,400 new schools will be needed by 2003. Last month the American Society of Civil Engineers released their “2001 Report Card for America’s Infrastructure,” which grades the condition of the nation’s schools, drinking water, wastewater, transportation needs and so forth. Of all the categories included in the report, schools received the lowest mark, a D—. Despite these facts, despite the desperate need for repair and renovation, the Bush budget provides only a modest investment in school construction and only allows for the use of private activity bonds for schools, a mechanism that requires a major corporate sponsor to finance a project that would affect only a few communities that are struggling to meet growing enrollments or upgrade their crumbling schools.

As many of my colleagues have already mentioned, there was a very disturbing report in the New York Times April 6, 2001
several weeks ago about the anticipated cuts to critical children’s programs. I am extremely distressed by this decision. My focus on cutting taxes undermines critical programs like child care, early learning funding, child abuse treatment and prevention. The President plans to cut, not just slow the rate of spending, $200 million from the Child Care and Development Fund. I would like to point out that there is a waiting list of more than 16,000 children in Massachusetts who await the opportunity to receive quality child care through this fund.

I cannot figure out what has motivated the President to zero out the Early Learning Opportunities Act. This legislation, sponsored by Senator Stevens, passed the Congress last year with bipartisan support. President Bush believes strongly in literacy. And we all know that children who begin school lacking the ability to recognize letters, numbers, and shapes quickly fall behind their peers. Students who reach the first grade without having had the opportunity to develop cognitive or language comprehension skills begin school at a disadvantage. Children who have not had the chance to develop social and emotional skills do not begin school ready to learn. I’m sure that President Bush knows these things. So why would he cut funding for the Early Learning Opportunities Act, which seeks to bring together state and local resources to ensure that children begin school ready to learn?

I guarantee you this, if you ask the American people whether they would prefer this enormous tax cut at the expense of funding for child care, child abuse prevention and treatment, and funding for early learning programs, they would tell you that they want those programs strengthened and enhanced, not decimated, or in the case of the Early Learning Opportunities Act, zeroed out. It’s certainly clear that children are not the President’s top priority, his enormous tax cut is. We voted yesterday to support those programs that we know the American people care about. We must hold strong and resist attempts to undermine the funding commitment for these important programs.

As we all know, the real details of the Bush budget are still locked up somewhere in the White House. The President wants Congress to leave town before those numbers are released. And well he should, because those numbers are going to show what we have all known for some time. Compassionate conservatism is code language for cuts in children’s programs, health care, the environment and other national priorities.

While we have not yet received the real Bush budget, what we are learning through confirmed accounts is that the budget will: cut child care grants by $200 million, cut child abuse programs by $16 million, and would entirely eliminate the $20 million ‘early learning funding for child care and education for children under the age of 5 which is based on legislation I wrote.

Cut funding for training health care providers in medically underserved areas by nearly $100 million.

Cut the Office of Minority Health by 12 percent.

Cut training for doctors at children’s hospitals.

Eliminate the COPS, or Community Policing Services Program.

The list goes on. Someone will have to explain to me how cutting child care grants and child abuse programs is compassionate because I just don’t see it.

Let’s take a couple minutes to look at the President’s research and development agenda.

Unfortunately, the President’s budget plan will do serious damage to funding available for scientific R&D. Experts agree that over the past 50 years, advances in science and technology have contributed to half our nation’s economic growth. It’s true that investments in R&D tend to pay off only in the long term. For instance, much of the growth we enjoyed in the 90s stemmed from investments the federal government made in science in the 1960s. The ubiquitous computer which is so critical to our productivity today would not be available to us if serious research had not begun decades ago. But, this budget fails to look to the long term, and by failing to adequately provide for investment in science and technology, will slow economic growth and leave our children and our grandchildren with far fewer opportunities than we had just a few short years ago.

Instead of increasing the growth of science and technology, the President’s budget proposal ignores the R&D needs of the nation. Although the Administration has indicated support for a $2.8 billion increase in the National Institutes of Health budget for FY 2002, many other research initiatives will not receive the funding levels they need. The President’s budget proposal for next year projects that non-defense R&D will decline by 7.8 percent adjusted for inflation by fiscal year 2005. This is more than five times faster than the decline in total federal spending. After accounting for inflation, the Bush budget cuts the National Science Foundation by 2.6 percent, NASA by 3.6 percent and the Department of Energy by 7.1 percent. In the end, under the Bush budget federal support for science will decrease by 6 percent by 2005 as a share of the Gross Domestic Product. This is contrary to the commitment we have all seen, to see, but that we are slowly learning, that we are slowly learning, that we are slowly learning.

The proposed cuts to scientific research are a self-defeating policy. Congress must increase the federal investment in science. No science, no surplus. It’s that simple.

So we have a budget blueprint before us that essentially rubberstamps a Presidential budget which we have yet to see, but that we are slowly learning, through leaks, will substantially cut a number of priorities that many of my colleagues and the nation share.

Now, I would like to take some time to discuss the President’s tax plan and development I am hearing so much talk about how the President’s tax plan provides the largest percentage reductions to low and middle-income families. Mr. President, it’s just not true. The reality is that the President’s tax cut would leave out 28 million taxpayers, taxpayers who see 15.3 percent of every paycheck go directly to the taxman. I’m talking about people who pay payroll taxes.

For all taxpaying families, the average annual payroll tax burden is over $5,000. The average payroll tax payment has risen from $3,640 in 1979 to $5,010 in 1999. For the vast majority of taxpayers, payroll taxes, Social Security and Medicare, generate the largest tax burden.

Federal payroll taxes actually exceed federal income taxes for 80 percent of all families and individuals with earnings. For single-parent families, the number is even more alarming. Today, 95 percent of single-parent households pay more in payroll taxes than income taxes.

According to the National Women’s Law Center, over 3 million women raising children as a single parent, or 36 percent of all single mothers and their families, will receive no tax benefit from the Bush plan. Likewise, almost half of the black and Hispanic women raising children as a single parent would not benefit a one penny.

These taxpayers lose out because the President’s tax plan focuses only on marginal income tax rates. The House has made some small steps to address this issue, but more needs to be done if we are going to pass a balanced and fair tax bill.

My amendment would require that any substantial tax relief legislation, 500 billion or greater, which comes to the floor of the Senate this year include a certification by the Senate Finance Committee that it provides significant relief for the 28 million taxpayers who pay payroll taxes but who
April 6, 2001

CONGRESSIONAL RECORD—SENATE 5881

June 20, 2001

The President’s tax plan, by focusing only on income tax rate reductions, leaves millions of taxpayers who do not pay federal income taxes but who pay payroll taxes. In Vermont, there are 23,000 families who do not pay federal income taxes. But 82 percent of those families pay payroll taxes. For the vast majority of taxpayers, payroll taxes generate the largest tax burden, and yet the President’s plan does not touch payroll taxes.

With all of the uncertainty in these projections, Congress should tread very carefully when considering the size of the tax cut. While rosy surplus projections may have been accurate yesterday, we need to pay attention to circumstances today. Even Goldilocks could tell you that porridge’s that’s just right one day, may be too cold few days later. Congress needs to recognize that the surplus projections are not set in stone, that it is not only possible, but even likely that the projections will change and that the surpluses themselves will differ from those projections.

I was one of five Senators who are still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there—we had a huge tax cut, defense spending increased, and the national debt quadrupled.

I am concerned about enacting a huge tax cut before fulfilling our current unfunded federal mandates. The President’s budget outline proposes an additional 30 percent cut in grants to state and local law enforcement. I’ve written a letter to the President and the Department of Justice, along with 17 other Senators, opposing those cuts. I am concerned that the President’s tax cut of $1.6 trillion therefore has the potential to wipe out the entire surplus in one fell swoop. And that’s IF the budget surplus projections are accurate.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a real possibility. In its budget and economic outlook released on January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO says that “considerable uncertainty surrounds those projections.” This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone who watched the volatility of our markets and the environment. In addition, the cost of the Bush tax plan imperils our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of $3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay off. In the meantime, the Federal government has to pay almost $500 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters—from urban residents, who can buy homes, to small business owners in Vermont who can invest, and expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that legacy if the Congress maintains its fiscal discipline. But this budget resolution fails to fulfill responsibility for voodoo economics. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to blow this house of cards. The $5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts tilted toward the wealthiest one percent is based on mere projections over the next decade. It is not real. Many in Congress have been talking about the $5.6 trillion surplus as if it is already money in the United States Treasury. It is not.

Let us take a closer look at this $5.6 trillion. When you subtract the portion of the projected surplus that is expected to come from Social Security, we are left with $3.1 trillion over ten years. When you set the Medicare surpluses to the side, and use more realistic assumptions about taxes and spending over the next several years, that reduces the available surplus to $2.0 trillion. Under this scenario, the President’s proposed tax cut of $1.6 trillion therefore has the potential to wipe out the entire surplus in one fell swoop. And that’s IF the budget surplus projections are accurate.

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In their economic outlook CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected. When CBO takes its own track record on forecasting surpluses, they caution that the projected surpluses over the next five years may 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. That is, in 10 years, what is data is only for five-year projections. CBO has been making 10-year projections for less than a decade, so they admit it is not yet possible to assess their accuracy. But 10-year projections are likely to be even less accurate than five-year projections.

For 2001 alone, there is considerable uncertainty about the size of the budget surplus. In January, CBO estimated that the total surplus in 2001 would reach $230 billion. Earlier in this month, however, Merrill Lynch dropped its estimate to $250 billion. Wells Capital Management, an arm of Wells Fargo, estimates a $225 billion surplus this year and a $185 billion surplus next year, 40 percent lower than the 2001’s estimate for 2001.

With all of this uncertainty in projecting future surpluses, it is amazing to me that the budget resolution insists on a fixed $1.2 trillion in tax cut. The tax cut proposal is that President Bush may count on more than $1.6 trillion over the next 10 years.

Let us take a closer look at these proposed tax cuts.

The President’s budget proposes a $1 billion increase in discretionary veterans health spending. Such a meager increase barely covers inflation in the Department of Veterans Affairs’ current programs, let alone provides the...
department flexibility to increase the availability and quality of care. I am also concerned that this budget squeezes the out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

After years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, passing a fair and responsible tax cut, saving Social Security, and creating a real Medicare prescription drug benefit.

Mr. CRAIG. Mr. President, I rise in support of final passage of the budget resolution and to declare victory.

Today, all Americans who believe in fiscal responsibility, budget, a sound economy, and tax treatment for taxpayers, can declare victory. All of us who want a government that restrains its appetites and lives within its means, while meeting critical national needs, and letting hard-working individuals and families keep a little more of the fruits of their labor, can declare victory.

Today we are approving a budget that is balanced, not only because it is in surplus, but balanced in how it would allocate the resources provided by the American people.

Today we are approving a budget plan that, if we follow it, will: first and foremost, pay off all the publicly held debt that possibly can be paid off in the next ten years; hold the line on the growth of federal spending and the size of government; fully protect Social Security and Medicare for today’s and tomorrow’s seniors, and begin the process of modernizing them, to make them ready for today’s workers; answer the demands of the American people to take action on major needs in areas like education, medical research, national defense, care for our veterans, the environment, and prescription drugs; and provide modest, reasonable, and prompt tax relief to the most heavily taxed generation in American history.

Could we have produced a better budget this week? Of course we could. But I will never let the perfect be the enemy of the very, very good.

The Senate has added several billion dollars in new spending to this budget. I wish we could have done that without raiding the surplus or collecting more taxes. I wish we could have addressed priorities within the reasonable total, the increased total, proposed by the President.

But we have wisely turned down amendments for hundreds of billions of dollars in new spending, and we have stuck fairly close to the responsible plan we and the President started with. And whether, at the end of the year, we enact ten-year tax relief totaling $1.2 trillion, $1.6 trillion as proposed by the President, or $2 trillion, which this Senator thinks is closer to the right amount, we will have won, common- sense conservative cuts, and the American people will have won.

To fully appreciate where we are, we need to remember where we have been.

When I first came to Congress, in the other body, I plunged into fighting for a balanced federal budget. The jaded political veterans told me. You will never see it in your lifetime. The problem was so intractable, we formed a bipartisan coalition to push for a balanced budget amendment to the Constitution.

Eight short years ago, the experts told us we faced $300 billion budget deficits as far as the eye could see. The previous president said balancing the budget was a bad idea, and he pushed massive budget increases in history to pay for more and more spending. By 1994, that tax hike, along with the Clinton health care plan to nationalize one-seventh of the economy, produced the first Republican Congress in 40 years.

Observant students of history and those with good memories will recall that the economy was limping and anemic during 1993 and 1994. That new Congress took office declaring that Job One was balancing the budget, so we could produce surpluses that would save Social Security and Medicare, pay down the debt, and provide tax relief. The real upturn, the acceleration of the markets and confidence in the economy, began when we made this commitment to responsible, limited government.

The economy received a booster shot with the bipartisan Taxpayer Relief Act of 1997. In that bill, we cut capital gains taxes, which further unleashed the economy and was producing today’s surpluses.

Now, with a slowing economy, the time has come, again, for a booster shot. Today’s budget resolution, with spending restraint, tax relief, and paying down the debt, is that booster shot.

It is positive that, this week, we have voted to accelerate tax relief. American workers and their families needed tax relief yesterday, relief from the death tax, from the marriage penalty, and to help meet education and other family needs.

We’ve heard a lot of revisionist history this year, with Senators criticizing President Reagan’s 1981 tax relief package. The single biggest mistake Congress made in revising President Reagan’s plan was in not starting is soon enough. The economic recovery of 1982 began, the boom of the 1980s began, when President Reagan’s tax plan finally took effect. If we really want to learn from the mistakes of the past, we should learn that prompt tax relief keeps the nation healthy. It’s also a positive sign for prompt tax relief that the Senate has agreed to keep the tax relief in this budget free from filibusters later in the year.

But, this is a budget that will keep the nation healthy. If we continue to follow through on it. It is the Senate’s budget, and we have made adjustments throughout the week. But make no mistake about it, when you look at all of it, it is still mostly the President’s budget, too.

I also want to comment on a couple specifics in this budget.

As a member of the Senate Veterans’ Affairs Committee, I am always watchful of how the Congress and the Administration propose to treat our nation’s veterans. This President’s budget began with a $1 billion increase in discretionary veterans programs and a $4 billion increase, overall—more than 8 percent. Without a doubt, this president’s commitments to the well-being of the nation’s veterans are greater than what we saw in the previous administration.

The House-passed budget added to that amount and now, so has the Senate. Spending per veteran, not overall, has increased by 52 percent. This is commitment to the well-being of our nation’s veterans.

The Veterans Administration (VA) represents millions of men and women who have served our great nation, often at extreme sacrifice. Therefore, in gratitude it is important that we insure that our veterans receive the care and services they were promised and most certainly deserve. Over the past years, since I have been a member of the Senate Committee on Veterans’ Affairs, there has been a steady increase in spending per veteran. In 1995, VA spending was $1.465 per veteran. In 2002, the Senate committee on Veterans’ Affairs recommends spending $2.228 per veteran. That is a 52 percent increase since 1995.

I also commend my Idaho colleague, Senator Craapo, for the amendment adopted last night by the Senate, to safeguard necessary funding for the Department of Energy’s Atomic Energy Defense Account. This is needed to continue progress in waste treatment and management, site maintenance and closure, environmental restoration, and technology development, while meeting its legally binding compliance commitments to the states. This is of vital interest in our home state of Idaho, home of the Idaho National Engineering and Environmental Laboratory, to similar sites in other states, and to the environmental safety and well-being of the nation. I was pleased to cosponsor and support the bipartisan Crapo-Murray-Craig amendment.

I now look forward to resolving the differences between the Senate-passed budget and the House’s version and working in the coming months on the legislation necessary to implement this budget. We have made a good start and today is a good day to declare victory for the American people.
Mr. CHAFEE. Mr. President, I rise to express my support of the budget resolution which was approved today. This was a long and arduous process, but I am pleased that at the end of the day we have a document that both Republicans and Democrats can embrace.

I also extend my deep appreciation and admiration to Budget Chairman Domениcic for doing his usual outstanding job of overseeing the Senate’s consideration of the federal budget.

This week’s debate was about how best to allocate the apparent budget surplus that our nation is beginning to achieve. I appreciate President Bush’s leadership in calling for a part of our surplus to be returned to the taxpayers.

While all Americans may desire a tax cut, I believe it is also true that all Americans reflect the Congress to continue its prudent course of balanced budgets. I am concerned that a tax cut of $1.6 trillion over ten years would seriously impair our ability to maintain a balanced budget, while meeting the necessary debt reduction, infrastructure development, improvement in health and education, and Social Security and Medicare reform.

I was pleased to work within the Centrist Coalition, a bipartisan group of Senators, to fashion a compromise tax cut. I am very thankful for the friendship and leadership in particular of Senators JOHN BREARLY, JIM JEFFORDS, and BEN NELSON. I believe that we have helped the Senate come to a compromise, and am proud to have joined a group of such thoughtful and constructive people.

I am not without my reservations about the compromise tax cut of $1.2 trillion over ten years that we have approved. I am still large for my preference, but I recognize that in order to work in a bipartisan manner one must be able to compromise in a principled manner. I believe that that is what we have accomplished here, and that belief is borne out by the fact that 65 Senators supported the final budget, which included the compromise tax cut. Beyond the tax cut, the Senate has made its mark on this budget. Senator DOMENICI brought to the floor a budget that closely reflected the President’s priorities. We took up amendment after amendment, considered each by its merits, and dispensed with them. These amendments reflected our priorities in several areas. We can see those priorities in the document that we now send to the House and Senate conferees to negotiate. We see a doubling of the money set aside for prescription drugs, to $300 billion over ten years. We see $320 billion set aside for education, which includes enough money to fully fund the Individuals with Disabilities Education Act. As a former Mayor who has had to budget for the costs of providing the best service for these special children, it was a particular priority of mine to have the federal government pay its fair share of the increased money for defense, for veterans, and for farmers. We see the work on environmental issues, including funding for conservation and global warming. And, we see the work on urgent health matters, including increased health care coverage for low-income seniors.

This good budget. It is perhaps not perfect, but it shows the benefit of having a strong President providing leadership in stating his priorities, and the value of centrist leadership in Congress to win wider acceptance of the President’s proposals.

Mr. LEVIN. Mr. President, the Senate has brought to the floor a budget for the next year and the years ahead. We are fortunate after years of large budget deficits, to finally enjoy a projected budget surplus, a real surplus separate and apart from Social Security and Medicare projections. This surplus provides us with many possibilities, it also requires us to balance how best to use our resources within a framework of fiscal responsibility. If we choose the wrong path we could return to the days of big Federal deficits and all the damage they did to our economy.

In approaching our Federal budget, I believe we should divide the projected surplus among four budget goals: giving the American people fair and fiscally responsible tax relief, paying down the debt, protecting Social Security and Medicare, and responsibly investing in key priorities such as education, prescription drug coverage for seniors, environmental protection and national defense.

In deciding how to allocate the new surplus, we should first and foremost remember it is a projection for ten years downstream, so it is highly speculative. In fact, the Congressional Budget Office, CBO, cautions legislators that there is only a 10 percent likelihood that its ten-year projection will prove accurate. This is especially troublesome because most of the surplus, upon which the President’s tax cuts rely, is not projected to accrue until after 2005, the most unreliable years of the forecast. History has shown that CBO projections only 5 years in the future have been off by as much as 268 percent.

Understanding that these projections are uncertain, here’s what I think should be done with surplus dollars that actually materialize:

First, I would protect the Social Security and Medicare trust funds. We would permanently cut the 15 percent tax on Social Security earnings. And we would reform the Medicare system, ensuring that those who need it most.

Second, I would allocate one-third of the projected $2.5 trillion non-Social Security, non-Medicare surplus for tax cuts. We have proposed an immediate stimulus tax cut package that could provide taxpayers with up to $450 of relief this year, $900 for married couples filing jointly. The first part of the package would to give a one-time tax refund to everyone who paid Federal income taxes last year, in 2000. Couples would get a check for $600 and singles would get a check for $300 as early as July, if the provision were enacted now. The second part of the package would permanently cut the 15 percent income tax rate to 10 percent for the first $12,000 of taxable income for couples and the first $6,000 of taxable income for singles. This would save couples an additional $600 per year and singles an additional $300 per year and, if enacted soon, the decrease in paycheck withholding could begin in July. This package is a truly broad-based relief measure aimed at stimulating the economy.

Third, we should increase the Earned Income Tax Credit for working families with children, substantial marriage penalty relief, and the amount of money exempt from estate taxes, so that more than one percent of the country’s wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion’s share would go to middle income Americans, that is to those who need it most.

President Bush’s plan mostly benefits the wealthiest among us. Under his plan, 5 percent of taxpayers would get more than 50 percent of the benefit. As a result, more than one percent of the country’s wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion’s share would go to middle income Americans, that is to those who need it most.

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Finally, I would allocate one-third of the projected $2.5 trillion non-Social Security, non-Medicare surplus for tax cuts. We have proposed an immediate stimulus tax cut package that could provide taxpayers with up to $450 of relief this year, $900 for married couples filing jointly. The first part of the package would to give a one-time tax refund to everyone who paid Federal income taxes last year, in 2000. Couples would get a check for $600 and singles would get a check for $300 as early as July, if the provision were enacted now. The second part of the package would permanently cut the 15 percent income tax rate to 10 percent for the first $12,000 of taxable income for couples and the first $6,000 of taxable income for singles. This would save couples an additional $600 per year and singles an additional $300 per year and, if enacted soon, the decrease in paycheck withholding could begin in July. This package is a truly broad-based relief measure aimed at stimulating the economy.

We also should increase the Earned Income Tax Credit for working families with children, substantial marriage penalty relief, and the amount of money exempt from estate taxes, so that more than one percent of the country’s wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion’s share would go to middle income Americans, that is to those who need it most.

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In addition to providing tax relief, we need to dedicate a large portion of the surplus to reducing our debt so that we don’t push this immense burden onto our children and grandchildren. For the first time in a generation, we have the opportunity and the resources to pay down the enormous debt and we should do so. Additionally, by paying down the debt, we can help keep interest rates low well into the future giving all Americans an economic benefit.

Our plan calls for dedicating one-third of the non-Social Security, non-Medicare surplus to reducing the $3 trillion plus portion of our national debt that is outstanding and held by domestic and foreign investors. In contrast, the President’s budget does not use any of the projected non-Social Security, non-Medicare surplus for debt reduction.

Finally, we need to invest some of our surplus responsibly in new initiatives and important benefits, like prescription drug coverage for seniors and education programs for our students. Using one-third of our non-Social Security, non-Medicare surplus to meet the basic life-sustaining needs of our seniors, to build a smarter 21st century workforce, and to prepare for unforeseen challenges, will pay huge dividends in the long run. President Bush’s budget—focusing on tax cuts at the expense of everything else—leaves little room for new investments or unanticipated needs and actually makes drastic cuts to some very important federal programs which millions of Americans and the communities they live in count on.

The next chart compares the Democratic plan to President Bush’s plan, showing how the Bush plan comes up short in key areas because of the size of the tax cut.

As budget debate continues in the weeks ahead, Congress will be making some important decisions regarding our country’s future. We have the ability to provide targeted tax relief, fund some important national priorities and protect Social Security and Medicare for future generations, while dedicating significant resources to paying down the national debt. To achieve all of these goals, we need to act wisely today so that we strengthen our economy in the long run, not weaken it once again by risking a large Federal deficit with an excessive tax cut benefiting mostly those who need it least.

Mr. President, I ask unanimous consent to print the charts in the RECORD.

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

**CHART 1**

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS: FIVE-YEAR PROJECTED V. ACTUAL SURPLUS OR DEFICIT

(Projects in 1985 for 1990, 1986 for 1991, etc. in billions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected</th>
<th>Actual</th>
<th>Difference</th>
<th>Percent of error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$167</td>
<td>$220</td>
<td>$53</td>
<td>31%</td>
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<td>1991</td>
<td>$159</td>
<td>$169</td>
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<td>1999</td>
<td>$182</td>
<td>$348</td>
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</tr>
<tr>
<td>2000</td>
<td>$182</td>
<td>$368</td>
<td>$186</td>
<td>97%</td>
</tr>
</tbody>
</table>

**CHART 2**

Tax relief for a family of four (2 parents, 2 kids) in 2002:

<table>
<thead>
<tr>
<th>Income</th>
<th>Bush</th>
<th>Democratic alternative</th>
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<tbody>
<tr>
<td>$25,000</td>
<td>90</td>
<td>$845</td>
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<tr>
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<td>426</td>
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<tr>
<td>$1,000,000</td>
<td>66,461</td>
<td>13,777</td>
</tr>
</tbody>
</table>

Bush plan phases in all cuts over 10 years, so his cuts would get much larger from 2005–2010; Dem plan is fully phased in by 2003, except for estate tax relief.

Source: Senate Finance Committee, Democratic Staff; Democratic Policy Committee.

**CHART 3**

Budget cuts to non-protected agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Percentage Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>-8.6</td>
</tr>
<tr>
<td>Commerce</td>
<td>-16.6</td>
</tr>
<tr>
<td>Energy</td>
<td>-6.8</td>
</tr>
<tr>
<td>HUD</td>
<td>-11.3</td>
</tr>
<tr>
<td>Interior</td>
<td>-7.0</td>
</tr>
<tr>
<td>Justice</td>
<td>-6.8</td>
</tr>
<tr>
<td>Labor</td>
<td>-7.4</td>
</tr>
<tr>
<td>Transportation</td>
<td>-15.0</td>
</tr>
<tr>
<td>Army Corps of Engineers</td>
<td>-16.9</td>
</tr>
<tr>
<td>EPA</td>
<td>-9.4</td>
</tr>
<tr>
<td>FMA</td>
<td>-20.2</td>
</tr>
<tr>
<td>NASA</td>
<td>-1.1</td>
</tr>
<tr>
<td>Small Business</td>
<td>-46.4</td>
</tr>
</tbody>
</table>

Numbers represent the Bush budget’s percentage cut in budget authority for appropriated programs for FY2002 below the amount needed, according to CBO, to maintain purchasing power for current services.

**CHART 4**

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS

<table>
<thead>
<tr>
<th>Year</th>
<th>Democratic</th>
<th>Bush</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$3,000 billion</td>
<td>$0</td>
</tr>
<tr>
<td>2002</td>
<td>$3,000 billion</td>
<td>$300 billion</td>
</tr>
<tr>
<td>2003</td>
<td>$3,000 billion</td>
<td>$900 billion</td>
</tr>
<tr>
<td>2004</td>
<td>$3,000 billion</td>
<td>$1,000 billion</td>
</tr>
<tr>
<td>2005</td>
<td>$3,000 billion</td>
<td>$1,200 billion</td>
</tr>
<tr>
<td>2006</td>
<td>$3,000 billion</td>
<td>$1,400 billion</td>
</tr>
<tr>
<td>2007</td>
<td>$3,000 billion</td>
<td>$1,600 billion</td>
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<td>2008</td>
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<td>2009</td>
<td>$3,000 billion</td>
<td>$2,000 billion</td>
</tr>
<tr>
<td>2010</td>
<td>$3,000 billion</td>
<td>$2,200 billion</td>
</tr>
</tbody>
</table>

Ms. CANTWELL. Mr. President, I rise today to discuss the budget before us and to outline a few points that I believe need to be considered while we debate our national budget priorities.

There is no doubt that the focus of much of this work has been on the perceived need for, and the size of, a tax cut. I support efforts to provide hard-working families in my home state of Washington, and across the country, with tax relief. I expect Congress to take up legislation to eliminate the marriage penalty, provide estate tax relief, make college tuition tax deductible, and assist workers in saving for their retirement. In addition, I believe that comprehensive tax reform proposals must expand the Dependent Care Tax Credit to help families provide care for their children and expand the Earned Income Tax Credit to make it work better for more hard-working families.

However, I am concerned that we balance our efforts to cut taxes with our nation’s fiscal and policy responsibilities, and our obligation not to increase our national debt level. Comprehensive tax relief must be measured against the need to maintain fiscal discipline, and stimulate economic growth through continued federal investment in education, job training and infrastructure, while also protecting the environment. We also need to invest in our nation’s economic future by making a commitment to public health and science and technology—maintaining our status as a global leader. And, it is critical that we meet the needs of the nation’s elderly and enact a meaningful prescription drug benefit for Medicare beneficiaries.

Furthermore, we must realize that much of the debate on the shape and size of tax cuts is dependent on the reliability of surplus projections that may or may not materialize.

These are the numbers at issue this week. The projected unified surplus over the next ten years is supposed to be $5.6 trillion. But what we need to be discussing is not this amount—but the amount of the non-Social Security, non-Medicare surplus. And when we take both of those trust funds off the budget line, we are looking at a trillion over ten years with which to work.

It is critical that the funding levels in our budget guarantee that Americans have access to needed health care. We also need to invest in our children’s...
April 6, 2001

CONGRESSIONAL RECORD—SENATE

education by hiring more teachers, increasing teacher pay, providing enhanced training opportunities, and modernizing our educational system. And we need to commit to programs that keep our citizens safe, and our environment clean.

We seem to be tripping over ourselves right now to spend a surplus—either on tax cuts or on increased discretionary spending—that, frankly, we are uncertain will even appear. As we all know, projections are notoriously inaccurate and, therefore, highly likely to be wrong even if they are only for the upcoming year. Based on its track record, the Congressional Budget Office says its surplus estimate for 2001 could be off in one direction or the other by $52 billion. By 2006, this figure could be off by $122 billion.

Remember that last year CBO projected that the ten-year surplus would be $3.2 trillion, $2.4 trillion less than the projection it released this past January. This means that in just one year the surplus estimate has increased by 75 percent.

In fact, CBO admits that it is most uncertain about projections for the years it forecasts the largest surpluses. CBO makes clear that $3.6 trillion of the $5.6 trillion unified surplus is open to question.

Besides debating surpluses that may or may not materialize, this budget process is the first step in outlining our nation’s fiscal priorities for the upcoming year. However, we must not forget that in addition to figuring ways to fund our political priorities, it is our duty to focus on meeting our national responsibilities.

And this is where my concern rests with the President’s budget. I believe that CBO’s tax cut is unacceptably responsible and responsible tax relief while fulfilling our nation’s responsibilities.

But it seems that the President is funding a $2.0 trillion tax cut at the expense of other programs. A tax cut this large would use 81 percent of the non-Medicare surplus over the next 10 years, leaving the President and Congress $527 billion, or just 20 percent of the on-budget surpluses to address critical priorities such as additional debt reduction, expanding educational opportunities, providing a prescription drug benefit, keeping our environment safe, and ensuring a strong national defense.

In reviewing the President’s Budget Blueprint, I am concerned that his proposals shortchange important needs that Americans depend upon.

I find it remarkable, for example, that the President proposes to cut funding to the Energy Department by almost one billion dollars—perhaps the most critical area of the United States government and the people of Washington State—the moral obligation to protect the people from the hazards of nuclear waste. The Hanford clean-up is an ongoing federal responsibility and a timely clean-up is essential to the quality of our water and environment, as well as our public safety.

To fail behind in the clean-up because of ill-advised funding cuts is an unacceptable risk. This is why I joined with Senator Cham 11 to introduce an amendment, adopted last night by voice vote, to ensure that the Atomic Energy Defense Account is increased by $1 billion in fiscal year 2002 for just this purpose.

I am also concerned about the President’s proposal to cut funding to the Department of Health and Human Services. Although the President does increase funding for the DHHS by $2.8 billion, I see that he is increasing the National Institutes of Health by just that amount. If NIH is getting a $2.9 billion increase in the upcoming fiscal year, while its parent agency is only getting that amount as an overall increase, something else is going to be cut, or level funded. Are the cuts going to come from the Child Care Development Block Grant, funding to investigate child abuse and neglect, or services for our elderly?

The President proposes only $153 billion over 10 years to provide a low-income prescription drug benefit and finance overall Medicare reform. This is completely inadequate considering that over one-third of our nation’s elderly lack coverage for their prescription drug needs, that the average senior spends more that $1,100 on medications every year, and despite the fact that prescription drugs are today’s fastest growing segment of health care.

On Wednesday, the Senate adopted an amendment to increase the available funding for a new prescription drug benefit by up to $300 billion over 10 years. However, I think it is important to point out that this additional funding is coming from money already earmarked for the Medicare program, and from the broad cuts proposed by the President in other areas.

While I have the floor I want to talk about two very specific cuts that the President has proposed.

Since 1997, the Federal Emergency Management Agency has spent $107 million to help communities to prepare for and mitigate the potentially calamitous consequences of natural disasters. This funding—Project Impact—helps communities plan and implement preventive measures in order to prevent disasters and avoid damage to property and human life. Yet, when the President released his budget he proposed canceling Project Impact because “it has not proven effective.”

Well, I can tell you that the very same morning the President released his budget, my State was hit with a 6.8 earthquake and the Puget Sound region was devastated by extensive structural damage throughout the region, there were no deaths. And there is no doubt in anyone’s mind, especially mine, that one of the main reasons this powerful quake did relatively little damage was because of the millions of dollars my state and our local communities have put into retrofitting buildings and preparing for such an event, dollars that were leveraged by Project Impact. For example, inspectors at Stevens elementary school in the Seattle school district following the earthquake revealed that a 300-gallon water tank directly above a classroom had broken free of its cables. The inspectors concluded that if it had not been for Project Impact, the tank could have caused serious, potentially fatal injuries to children in the classroom, as well as significant property damage.

Mr. President, as I toured the campuses in my State in the days following the earthquake and spoke with local officials, I heard other examples, like this story of Stevens Elementary, that prove the effectiveness of the Project Impact program. By cutting funds for this vital program, we would be depriving cities throughout our country an opportunity to mitigate and possibly avert the potentially catastrophic consequences of natural disaster.

I am also concerned about the massive cuts proposed for the U.S. Export-Import Bank and the Overseas Private Investment Corporation. These two agencies are critical to maintaining U.S. competitiveness in the international economy through assistance programs that effectively increase U.S. exports and provides jobs to American workers. Although Ex-Im represents a minuscule fraction of the Federal budget, it provided $15 billion in export sales last year. The President’s proposed 25 percent cut in Ex-Im bank would be a terrible mistake that could eliminate up to $4 billion in U.S. export sales. And OPIC, which over the past thirty years has generated $63.6 billion in U.S. exports and nearly 250,000 American jobs, currently operates at no net cost to U.S. taxpayers. Indeed, it actually returns money to the U.S. treasury and provides valuable assistance to U.S. companies seeking to invest and expand their operations abroad.

The support and funding of Ex-Im Bank and OPIC is a highly efficient way to increase U.S. competitiveness, especially for smaller companies exporting to higher-risk markets. The proposed cuts could be devastating to American companies and undermine our efforts to compete in the international economy. Mr. President, these programs should be de-politicized and their efforts to support U.S. exporters
globally should be backed solidly by this chamber. I know there are some in the Senate who support the President’s proposed $2.0 trillion tax cut as a means for stimulating the economy. But this proposal would do little toward this end. Ninety-five percent of the tax cuts in the President’s plan occur after 2003. By the time the tax cut takes full effect, the economy will have changed dramatically. These back-loaded tax cuts would do little to boost families spending power immediately, and therefore do little to spur the economy in the months ahead. And in fact, even the Chairman of the Federal Reserve Board, Alan Greenspan, has said tax initiatives historically have proved difficult to implement in a time frame in which recessions have developed and ended.

This tax cut doesn’t even go proportionally to every American. Forty-three percent of the benefits of the President’s tax plan are targeted to the wealthiest one percent of families—those with an average annual income over $915,000. Surprisingly, 25 percent of Washington’s working families and almost 400,000 of the children in Washington State would not get any benefit from the Bush tax plan. Unfortunately, while relying on surpluses that may or may not appear, and funding a tax cut that goes disproportionately to the wealthiest families and is not interested in areas that will be stimulated in long-term growth, the President’s budget eliminates funding to modernize aging schools, cuts maternal and child health programs, and cuts job training and employment services.

Responsible budgeting is a give-and-take. The country is at a critical juncture in setting our fiscal priorities: our choices are maintaining our fiscal discipline and investing in long-term growth, the nation’s future education, job training and health care needs, or cutting the very services used daily by our citizens. I believe our budget must fund these critical priorities as well as allow for responsible tax relief. Unfortunately, however, the budget before us today does not do this.

As a member of the Senate Budget Committee, I find it completely unacceptable that we would rush to the floor a $1.9 trillion FY 2002 budget with no Committee consideration. Worst of all, because this partisan maneuvering is coming at the beginning of the budget process, it could set the tone for a bitter session ahead. Our country learned a lot about responsible budgeting in the past eight years. Unfortunately today, the Republican leadership is ignoring those lessons so they can ram through an irresponsible tax cut. I don’t want the American people to pay the price for such irresponsible budgeting. That’s why, together with my Democratic colleagues, we are offering this alternative budget. The Democratic alternative budget takes the lessons of the past few years and applies them to the benefit of the American people. I would like to turn to some of the specific issues addressed in the budget, starting with a tax relief. I want to be clear that I strongly support tax relief. In fact, we should be debating immediate, real tax relief for all Americans that can stimulate the economy and help my constituents pay their growing utility bills. We should be acting on a $60 billion tax rebate that would be available this year, not in three years or five years. This type of immediate tax relief will give American families the added boost and confidence they need to hold off a real recession. Instead, this Senate is acting on a budget that calls for $1.7 trillion in tax cuts based on a surplus that has yet to materialize. And we are acting before the deficit reaches its peak, not set to hit the $2.0 trillion tax cut as a means for stimulating the economy. But this proposal would do little toward this end. Ninety-five percent of the tax cuts in the President’s plan occur after 2003. By the time the tax cut takes full effect, the economy will have changed dramatically. These back-loaded tax cuts would do little to boost families spending power immediately, and therefore do little to spur the economy in the months ahead. And in fact, even the Chairman of the Federal Reserve Board, Alan Greenspan, has said tax initiatives historically have proved difficult to implement in a time frame in which recessions have developed and ended.

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Mrs. MURRAY. Mr. President, over the last 8 years, we learned what a difference a responsible budget can make. We learned it starts with the basics, like using real numbers and not “betting the farm” on rosy projections. We learned an investment in the American people and their needs, our country and our economy will benefit. We learned that we need to be fiscally responsible. That means making tough choices and holding the line on deficit spending. And we learned that we have to work together to get things done.

The last eight years have shown us that if we follow those lessons: using real numbers, investing in our people, meeting our needs, being fiscally responsible, and working together, we CAN turn deficits into surpluses, and we can transform the American economy into a job-creating machine.

Today, there is a new President in office. There is a new Congress. And there are new economic challenges as our economy slows and an energy crisis grows.

The times are different, but the lessons are the same. This isn’t the time to throw away the handbook we’ve used for the past eight years. It’s time to follow the lessons it offers. Unfortunately, the Administration and the Republican leadership are running in the opposite direction. And I fear that they will repeat the same mistakes of the past, mistakes that we are just now getting over.

The Republican budget ignores the lessons of the past eight years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses and a tax cut. What’s more, the Republican budget hides some of the most important numbers, the cuts that many Americans will feel, in order to pay for a huge tax cut. Instead of investing in our people, the Republican budget shortchanges America’s needs. In a few minutes, I’ll detail some of the budget’s shortcomings in areas like education, health care and environment. Instead of being fiscally responsible, the Republican budget asks us to commit to a $1.7 trillion tax cut, which is paid for out of the Medicare trust fund. There’s nothing fiscally responsible about taking money that pays for seniors’ medical care and giving it away to a handful of Americans. Finally, instead of working together, the Republican budget offers an example of partisanship at its worse. The Republican leadership has skipped the committee process entirely, something that is almost unheard of: to avoid having to work out these differences in a responsible, bipartisan way.

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that help working families secure affordable coverage. The Democratic alternative also reserves as much as $80 billion of the recent surplus for the uninsured population. We need to expand coverage for working families to provide a true health care safety net. Congress cannot ignore the uninsured any longer. In fact, as the economy slows down and more workers lose their jobs, the number of uninsured will only increase. We need a real safety net for working families. The Democratic alternative provides the resources to meet this challenge. The Republican budget does not.

We also need to provide health care to families with severely disabled children. These families are often forced to impoverish themselves to provide care for their children. Some families must make the impossible choice between the weeks of in funding for Hanford and the economic stability of their family. That's a choice that no family should be forced to make. The Democratic alternative invests in health care for those who lack coverage.

Next, I would like to turn to an environmental issue. In the Pacific Northwest, several species of salmon are threatened with extinction. This isn't just a symbolic issue. The people of Washington state have a legal, and a moral, responsibility to save these threatened species. The Pacific Northwest needs approximately $400 million through various federal agencies to meet the biological opinion on salmon recovery. As my colleagues may know, the National Marine Fisheries Service recently finalized a biological opinion. That opinion outlines the steps we need to take to save salmon and keep removal of the Snake River's four dams off the table and out of the courts. The Republican budget does not provide the resources we need. The Democratic alternative does.

In Washington state, we also face the challenge of cleaning up the Hanford Nuclear Reservation. Hanford Cleanup has always been a non-partisan issue, and I want to keep it that way. There were some press reports in February that the Bush budget would cut clean-up funds. I talked to the White House budget director, Mitch Daniels, and he assured me that there would actually be an increase in funding for Hanford clean-up. However, the President's proposed cut of the nuclear cleanup program makes it difficult to meet the federal government's legal obligations in this area. Any retreat from our clean-up commitment would certainly result in legal action by the state of Washington. To avoid that and meet our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately $330 million. The price of the White House's victory in World War II and the Cold War is buried in underground storage tanks and in facilities. And we've got to clean them up.

Next, I'd like to turn to the energy crisis. In Washington state, higher energy prices have already cost us thousands of good jobs. Washington state could lose 43,000 jobs if we fail to take any action to stem higher energy costs. The short term solution to the energy crisis in the Pacific Northwest will not be found in the budget. However, the framework for a national energy policy should be. The President is proposing dramatic budget cuts in renewable energy research and development. This is taking us in the wrong direction. As the Democratic alternative promotes, we should be reducing our reliance on fossil fuels by promoting renewable energy, conservation, and efficiency programs.

Finally, the Republican budget shortchanges America's students. Education is a national priority, but this budget doesn't treat it like one. This budget would abandon the commitment made by Congress to education over the past three years to hire additional teachers throughout the country. The lower class size. Across the country, there are almost 2 million students learning in classrooms that are less crowded than they were a few short years ago. This budget would also abandon the commitment we made last year to help our schools with emergency repairs and renovations. The GAO estimated that our country needs to invest more than $112 billion to get our schools in decent shape, and we were just beginning to help communities do that. This budget would abandon the commitment we had made to students and communities to provide extra support for disabled students and disadvantaged students. Broken promises to these students means we are offering them a false sense of support.

For years, there was debate about what would improve education. Today, we know the answer: smaller classes, individual attention, good teachers and high standards. For years, there was no funding for these efforts. Today there is. Under the Republican budget, we would abandon those investments. In the Democratic alternative, we meet the need in America's classrooms.

Mr. President, as I have pointed out, the Republican budget takes us in the wrong direction. The Democratic alternative we are offering today will provide tax relief for the American people, and keep our commitment to national priorities.

I urge my colleagues to support this Democratic alternative.

Mr. KENNEDY. Mr. President, at the heart of the budget dispute between Republicans and Democrats is the size of President Bush's proposed tax cut. The President's tax cut is so large that we can have it all, that their massive tax cut will not interfere with efforts to address the country's most serious concerns. Democrats respond that the Bush tax cut is so large that it will consume virtually all of the available surplus, leaving no resources to meet the Nation's basic needs. Under the Bush budget, the numbers just do not add up.

The vote on the budget resolution is the vote which will determine the size of the tax cut. Once that vote is cast, more than $2 trillion, the real price tag on the tax cut, will effectively be gone. Those dollars will no longer be available for any other purpose—not for education, not for healthcare, not for defense, not for debt reduction, not for Social Security, not for Medicare. That money will be gone.

The impact of the Republican tax cut on the Federal Government's ability to address the most pressing concerns of the American people would be devastating. The Republican budget does not add up.

President Bush tells us his tax cut will only cost $1.6 trillion. But the Administration's own budget documents acknowledge that the tax cut will consume more than $2 trillion of the surplus. Independent analysts have shown that the real cost of the tax cuts which the Republicans support will be close to $2.5 trillion over the next ten years, consuming 90 percent of the available surplus. That will cost more than $200 billion, just $20 billion a year, to finance everything we hope to accomplish in the decade ahead. The Republican budget does not add up.

What would this mean for working families? There will simply be no money left to address the problems that concern them most: An elderly grandmother will not be able to afford the cost of the prescription drugs she needs to avoid serious illness; Her young grandchildren will go to overcrowded schools where the classroom may be in a trailer and where the teachers are too busy to give them the individual attention they need; Their older brother and sister will have difficulty affording college because the grant and loan assistance available to them will not have kept pace with the cost of tuition; Their parents will not have access to the technology training needed to move up the career ladder at work, so they may be stuck in a dead end job; If the family is among the 44 million Americans who do not receive health coverage at work and who cannot afford to purchase it, they will get no significant new help with their medical costs; And if they live in a high
crime neighborhood, there will be fewer cops on the street to ensure their safety.

But what about the tax cut? What will the Bush tax plan do for families like this? Unfortunately, it will not do much. The Republican tax cut is heavily slanted toward the wealthy. Over 40 percent of the entire tax cut nearly one trillion dollars in tax breaks will go to the richest 1 percent of taxpayers. They would get an average of $54,000 each year in tax benefits. This is more than most workers earn in a year.

Under the Bush plan, 60 percent of working families will save $500 or less a year in taxes. Twelve million low income working families would not get any tax cut under the Bush plan, even though they pay federal taxes every year. The Republican tax cut is just not fair. It does not help the most, the same people who depend on the programs which the Republicans want to cut.

The Democratic budget plan stands in stark contrast to the Republican plan. It is a reflection of our real values, and these two budgets clearly demonstrate how different the values of the two parties are. In political speeches, it is easy to be all things to all people. But the budget we vote for shows who we really are and what we really stand for. Our budget is geared to the needs of working families. It will provide them with tax relief, but it will also address their education and health care needs. And it will protect Social Security and Medicare, on which they depend for secure retirement.

There are four criteria by which we should evaluate a budget plan: 1. is it a fiscally responsible, balanced program? 2. does it provide Social Security and Medicare for future generations? 3. does it adequately address America’s urgent national needs? and 4. does it distribute the benefits of the surplus fairly amongst all Americans? By each yardstick, the Republican budget fails to measure up. The Democratic budget is a far sounder blueprint for building America’s future.

Once the Social Security and Medicare surpluses are reserved for the payment of future benefits, the available surplus is projected to be $2.7 trillion over the next ten years. The heart of the difference between the Democratic and Republican budgets is how each would use this surplus. The Democratic proposal would divide the surplus into thirds: allocating $900 billion for tax cuts, $900 billion for priority programs, and $900 billion for debt reduction. This contrasts sharply with the Republican plan, in which tax cuts would consume 90 percent of the surplus.

When President Bush cites $1.6 trillion as the cost of his tax cut, he neglects the increased cost—more than $400 billion—of interest on the larger national debt caused by the tax cut. He ignores the $240 billion cost already added to elements of the Bush plan by House Republicans. His plan also ignores the $90 billion cost of revising the Alternative Minimum Tax to prevent an unintended increase in taxes on middle income families, and the $100 billion cost of extending existing tax credits through the decade. In reality, the Bush tax cut will consume $2.5 trillion over the decade.

By consuming $2.5 trillion of the $2.7 trillion available surplus on tax cuts, the Republican budget would leave virtually nothing over the next ten years: to strengthen Social Security and Medicare before the baby boomers retire, to begin the quality prescription drug benefit that seniors desperately need, to provide the education increases that the nation’s children deserve, to train and protect the American workers whose increased productivity has proved essential to our strong economy, to advance scientific research, to improve the nation’s military readiness, to improve the security of family farmers, and to avoid burdening our children with the debt that we have accumulated.

After the Bush tax cut, we will not have the resources to meet these urgent challenges. There will simply be no money left.

The Democratic plan strikes a balance between tax cuts and addressing these important national priorities. It provides $900 billion to finance tax relief for the American people. This amount would allow a tax rate cut for all taxpayers, marriage penalty relief and a doubling of the child tax credit. It would also enable us to implement several of the most widely supported targeted tax cuts such as making college tuition tax deductible and providing a tax credit for long-term care costs.

I support a substantial tax cut, such as the one I just outlined, but not one that is so large that it crowds out investment in national priorities like education, health care, worker training and scientific research. Not one that is so large that it jeopardizes Social Security and Medicare. Not one that is so large that it threatens to return us to the era of large deficits.

By authorizing a third of the surplus for spending on the nation’s most important priorities, the Democratic plan would enable us to improve education by reducing class size and enhancing teacher quality, to provide senior citizens with meaningful assistance with the cost of prescription drug coverage, to extend health care coverage to many uninsured families, and to expand worker training opportunities and scientific research that will strengthen our economy. These are important initiatives that have overwhelming public support. The Democratic budget allows us to pursue these goals. Unfortunately, the Republican budget does not.

By reserving one third of the surplus for debt reduction, the Democratic plan provides a safety valve should the full amount of the projected surplus not materialize. We are not spending every last dollar of the $2.7 trillion, we propose to hold $900 billion in reserve. If the full surplus materializes, it will be used to pay down the debt. If projections fall short, we will have a cushion.

The $2.7 trillion is only a projected surplus. The Congressional Budget Office itself recognizes that a small reduction in the growth rate of the economy would reduce its surplus estimates by trillions of dollars. Its projection for the next decade is based on a growth rate for the economy even more reliable than forecasting the weather ten years in advance. Recent events should vividly remind us how difficult it is to predict the economy even one year ahead. CBO acknowledges that there is a 35 percent chance that the on-budget surplus will be less than half the size it has projected . . . less than half! Without a large reserve, Social Security is vulnerable to a new raid if the projected level of surplus fails to materialize.

In order to truly protect Social Security and Medicare, the budget we adopt must 1. reserve the entire Social Security surplus and the Medicare surplus to pay for future retirement and medical benefits; and 2. devote a substantial portion of the available surplus to strengthen Social Security and Medicare by reducing long-term debt. The Democratic budget does both, and the Republican budget does neither.

The Social Security and Medicare surpluses are comprised of payroll taxes that workers deposit with the Government to pay for their future Social Security and Medicare benefits. Just because the Government does not pay all those dollars out this year does not make us free to spend them. Over the next ten years, Social Security will take in $400 billion more dollars than it will pay out and Medicare will take in $500 billion more dollars than it will pay out. But every penny of this will be needed to provide Social Security and Medicare benefits when the baby boomers retire.

The Republican budget fails to set the entire $2.7 trillion aside to cover the cost of future Social Security and Medicare benefits. It only protects $2 trillion of that amount. The remaining $900 billion is used for other purposes. This threatens the retirement benefits of current workers. While the Bush budget is vague on just how this money will be used, it appears that more than $500 billion of it will be used to finance the Administration’s scheme to create
private retirement accounts. I believe it would be terribly wrong to take money out of Social Security to finance prescription drug benefits.

The Republican budget is even more reckless in its treatment of the $400 billion Medicare surplus. The Bush Administration would give the Medicare dollars no special protection. It would co-mingle them in a contingency fund available to pay for their tax cuts and new spending.

The threat posed by the Republican budget to Social Security and Medicare is very real. It removes $900 billion that already belong to these essential programs.

Democrats are committed to keeping Social Security and Medicare strong. We do this by reserving all payroll taxes for the retirement and medical benefits and for a new promised to seniors under current law. No qualifications, no exceptions. This commitment means that workers' payroll taxes are not available to fund income tax and estate tax cuts, private retirement accounts, and the Medicare Trust Fund.

The contrast between the Democratic and Republican budgets on Social Security and Medicare could not be greater. The Democrats would use $900 billion of the available surplus to strengthen Social Security and Medicare by paying down the debt. Republicans would remove $900 billion from Social Security and Medicare, and they would spend these dollars for other purposes.

One of our highest health care priorities should be assisting seniors with the cost of prescription drugs. America's seniors desperately need access to prescription drugs, and President Bush only provides a placebo. He says the right things about how important it is to provide prescription drugs, but the numbers in the Republican budget prove that his words can not pass the truth in advertising test.

There can be no question about the urgent need for expanded prescription drug benefit. A third of senior citizens, 12 million people have no prescription drug coverage at all. Only half of all senior citizens have prescription drug coverage throughout the year. Meanwhile, last year alone prescription drug costs increased an average 17 percent.

The Republican budget provides only $135 billion over 10 years to finance prescription drug assistance for seniors. That amount is woefully inadequate. A real drug benefit available to all seniors would cost more than twice that amount. Yet even the $135 billion which the Republican budget purports to provide is illusory. These are not new dollars. They come out of the $400 billion Medicare surplus which was improperly removed from the Medicare Trust Fund.

Unlike Republican proposals, the Democratic plan would provide drug coverage to all seniors through Medicare. The Democratic budget provides $111 billion to make prescription drugs affordable for seniors. It is the only real way to solve the problem.

The Republican budget also fails to address the needs of the Nation's uninsured. An uninsured family is exposed to financial disaster in the event of serious illness. The health consequences of being uninsured are even more devastating. In any given year, one-third of people without insurance go without needed medical care. The chilling bottom line is that 83,000 Americans die of the very illnesses they could have avoided. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

Candidate Bush severely criticized the Clinton-Gore Administration for what he described as an inadequate response to this crisis. But the budget resolution that his Republican colleagues have presented does nothing meaningful to expand health coverage. In this time of unprecedented budget surpluses, isn't it more important to assure that children and their parents can see a doctor when they fall ill than it is to provide new tax breaks for multi-millionaires?

The Democratic budget provides 80 billion new dollars over the decade to extend health care coverage to uninsured families. Over the last few years, we have made great strides providing health coverage for children. However, there are many more children who still lack basic health coverage. These children, and their entire families, desperately need access to health care. The most effective way to provide health coverage is to insure the entire family. We are committed to taking this next step.

Given how much President Bush has talked about education, it may come as a surprise to hear that education is one of the areas of the Republican budget that is seriously shortchanged. But, sadly that is what the facts of the Republican budget show. The claim that President Bush increases funding for the U.S. Department of Education by $4.6 billion or 11.5 percent this year is the purest fantasy. Smoke and mirrors produced these numbers.

President Bush costs $2.1 billion that President Clinton and the 106th Congress approved last year as part of this year's increase. If President Bush did nothing on education, almost half of "his increase" would happen anyway. The real increase that he proposes is $2.4 billion—only 5.7 percent above a freeze. And $600 million of the $2.4 billion increase is needed just to keep up with inflation. In reality, President Bush proposes only $1.8 billion in new money for education next year, a mere 4 percent above inflation.

President Bush's education budget is a step backwards. It does not keep up with the average 13 percent that Congress has provided for education over the last 5 years, and it will not enable communities and families across the country to meet their education needs.

This year, schools confront record enrollments of 53 million elementary and secondary school students, and that number will continue to rise steadily, reaching an average six percent increase in student enrollment each year. President Bush's budget fails to keep pace with population growth in schools, and under the budget he proposes, Federal education support per student may well decrease over the decade.

I applaud President Bush for making reauthorization of the Elementary and Secondary Education Act a top priority. I applaud him for challenging the nation to "leave no child behind." But I am disappointed that he has not backed his words with the resources needed to produce the action that we all agree is necessary. The Republican budget will leave many children behind.

In sharp contrast, the Democratic budget would increase investment in education by $150 billion over the decade. It is the second largest spending commitment in the Democratic plan. This will provide the resources which will enable us to keep pace with the needs of the steadily expanding number of students in our public schools. It will allow us to significantly reduce class size, so that teachers can give individual students the attention they need. It will provide for better professional development for teachers and greater access to information technology in the classroom. It will make after school programs available for children who currently have no where constructive to go. And, it will make college financially attainable for many of the students who simply cannot afford it today. It would be extraordinarily shortsighted to turn our back on these national responsibilities.

All these program cuts are made to finance the Republican tax cut, and the tax cut they would enact is grossly unfair. In reality, the wealthiest 1 percent of taxpayers, who pay 20 percent of all federal taxes, would receive over 40 percent of the tax benefits under their plan. Their average annual tax cut would be more than $54,000, more than a majority of American workers earn in a year.

The contrast is stark. Eighty percent of American families have annual incomes below $25,000. They would receive less than 30 percent of the tax
I am proud to have been a part of the effort in 1993 that helped to turn things around. Working together, the President and I crafted a package that finally brought the Federal deficit under control. By making difficult but critical decisions to cut Federal programs and raise revenues, we tamed the deficits that plagued the Nation throughout the 1980s. Most Republicans argued at the time that this responsible package would ruin the economy and send markets tumbling. They were dead wrong. 

Thanks to the approach we adopted in 1993, the Nation enjoyed a remarkable period of economic prosperity. This disciplined fiscal policy gave the Federal Reserve room to run an accommodating monetary policy that allowed the economy to sustain the long-debated swing we had hoped for the first time in 40 years. The economic expansion brought unemploymen down to 4 percent, helped turn budget deficits into surpluses, and produced an expansion in investment that led to rising levels of productivity. We did it, which in turn kept inflation at very low levels. It was a remarkable achievement.

Although the economy is now slowing somewhat, I do not believe we should embark on a dramatic shift in our fiscal policy. Doing so would only jeopardize the gains we have made thus far. Instead, we must continue to pursue a balanced approach that combines debt reduction, a short-term tax cut benefiting working people, and spending on urgent national needs.

The budget resolution before us takes exactly the opposite approach. It is unbalanced, proposing to cut taxes by more than $1.6 trillion—or close to $2.2 trillion when associated interest costs are included. I am deeply concerned that as a country we will be repeating the mistake we made in 1981 and squandering the fiscal security we have worked so hard to achieve.

Before I consider the substance of the budget resolution in detail, I would like to take a moment to comment on the process. Our consideration of this budget resolution is unusual even unprecedented—in two important ways. First, we have not had a mark-up in the Senate Budget Committee; instead, we are debating the budget without any prior consideration here on the Senate floor. Second, we are debating the budget resolution without the President’s detailed budget submission.

I am proud to be a member of the Senate Budget Committee, the only Committee in the Senate that is uniquely focused on the Federal budget. This year, the Budget Committee has held a series of informative hearings on issues such as tax policy, debt management, Medicare reform, defense, and the impact of future demographic changes on our economic outlook. However, the task before the Committee is not simply to hold hearings, but rather to use the perspective and knowledge gained from those hearings to develop a responsible Federal budget. Chairman Tom Daschle and I are determined to ensure that the budget resolution before us has the opportunity to be improved. 

Even more troubling is the fact that we are not yet received the President’s detailed budget submission. We have only the vague outlines, and will not receive the specifics until next week. It defies logic to vote on a budget resolution before we have seen the budget. It is impossible to debate the merits of the President’s proposed spending cuts when we have not been told which programs will be cut. Nor can we have an informed debate on the President’s tax cut proposals, because the Joint Tax Committee has not been given enough detail about those proposals to estimate their true cost. Nonetheless, the Republican leadership has chosen to move forward with their budget resolution.

Let me turn now to the substance of these proposals. First, I think it is important to understand that this budget resolution is based on very uncertain long-term projections. The limitations inherent in economic projections are clearly illustrated by recent experience: just 6 years ago, in January 1995, the Congressional Budget Office projected that we would finish the year 2000 with a $342 billion deficit. Instead, we saw a surplus of $236 billion—a swing of $578 billion.

In fact, most of the projected surplus over the next 10 years is expected to occur in the outyears, when projections are the most uncertain: almost 65 percent of the unified surplus and almost 70 percent of the non-social Security surplus are projected to occur after 2007—2011, the last 5 years of the projection period. I believe it would be unwise to commit these uncertain surpluses to large, permanent tax cuts, as the Republican budget does. Moreover, the tax cuts proposed by the Republicans disproportionately benefit the wealthiest among us, and leave few resources for meeting important national priorities. I strongly believe that any surplus realized in the near future should be seen as an opportunity to pay down the Nation’s debt, invest in our Nation’s future, and shore up vital programs. I am deeply concerned that the budget resolution before us fails to take advantage of an unprecedented opportunity to ensure that the Federal Government will meet its obligations after the baby boomers retire and beyond. This budget would endanger our hard-won progress and shortchange national priorities that the American people want to see addressed. The budget does not ensure that Social Security and Medicare funds will be safeguarded to pay current obligations, but instead allows these funds to be diverted for other
purposes. The budget devotes insufficient funds for a Medicare prescription drug benefit. Deep cuts would be required to Medicare prescription drug coverage.

Let me highlight some of the ways in which this budget fails to meet America’s urgent priorities. We are facing a number of critical infrastructure needs. For example, EPA estimates that some 281 million Americans still live within 10 miles of a polluted body of water—a river, lake, beach or estuary. Nearly 300,000 miles of rivers and streams and approximately 5 million acres of lakes still do not meet state water quality goals. National treasures like the Chesapeake Bay and Great Lakes still face significant water quality problems from municipal discharges of nutrients and other pollutants. Thousands of communities across the country may no longer be able to sewer or combined sewers which experience overflows under certain conditions, sending raw sewage into nearby waters, posing significant public health and environmental risks. Published studies have estimated that contaminated drinking water is responsible for nearly 7 million cases of waterborne diseases and approximately 1,200 deaths in the U.S. each year.

In February, the Water Infrastructure Network (WIN), a coalition of local elected officials, drinking and wastewater service providers, contractors, unions, and environmental groups, released a report which identified a need for a $37 billion Federal investment to replace aging and failing drinking water, sewer, and stormwater infrastructure over the next 5 years. The report found a gap of $23 billion per year between infrastructure needs and current spending. Similar assessments by EPA and others have also estimated that our water and wastewater treatment and drinking water needs in the hundreds of billions of dollars.

If we are to provide clean and safe water for everyone in America, we need to invest in upgrading and maintaining our wastewater and drinking water systems. The budget resolution fails to address these needs.

The budget resolution also fails to address what I consider one of America’s most vital priorities—ensuring that all Americans live in safe, decent and affordable housing. Even as the Nation has achieved record levels of homeownership, we are facing a shortfall of affordable rental housing that is reaching crisis proportions. According to HUD, nearly 5 million American families, despite years of economic growth, job growth, and income growth, continue to suffer from what are called “worst case” housing needs. This means that they pay over half their income in rent.

Take a minute to imagine that. If you were paying half your income in rent, what would you do if your child fell ill and you had an unexpected medical bill? What would you do if your car broke down and needed to be repaired? What would you do if energy prices skyrocketed, forcing you to pay more to heat your home? You’d be forced into a Hobson’s choice that could result in your losing your job or your home.

A more expansive study by the Center for Housing Policy shows that millions more American families, including 3 million working households, suffer from the same critical housing need. Yet, the budget resolution follows the proposals made by the President to cut the federal housing budget by a total of $1.3 billion, or 5 percent below the freeze level. When you combine in inflation account, the cut is really about 8 percent, or $2.2 billion. Specifically, the President proposed that 25 percent of the public housing capital is an investment. This proposal is made in the face of documented capital needs in excess of $20 billion, a backlog that has been confirmed by independent studies.

In 1998, we worked on a bipartisan basis to reform the public housing program. We passed a strong bill that greatly increased local flexibility, and asked housing authorities to be more creative in seeking out new sources of capital to meet their capital needs. Many housing authorities have done just this, working with Wall Street to sell bonds backed by capital account appropriations. The success of this whole endeavor is now put in doubt because of the proposed cuts.

The Republican budget also cuts CDBG by over $400 million, eliminates HUD’s small, but important rural housing program, and unnecessarily constrains state and local governments in their use of HOME funds. In addition, the budget inexplicably terminates the Public Housing Drug Elimination Program (PHDEP), arguing that, somehow, evictions solve the problem. PHDEP funds are used to provide tutoring to children; they help provide effective alternatives to keeping kids off the streets, out of gangs, and away from trouble. These funds pay for increased security and increased police presence. They are an integral part of the effort to keep drugs out of public housing. It is preventive medicine, and it is an investment that pays back well in excess of its cost.

These are only a few of the many examples one could cite to show that the budget resolution we are considering today does not invest in America’s future, but instead turns us back toward the past.

The Democrats have proposed a responsible budget alternative which balances the need for debt reduction, targeted tax cuts, and investment in critical national needs. The Democratic alternative fully protects the Social Security and Medicare surpluses to ensure that we will be able to meet our obligations to America’s seniors, now and in the future. The alternative provides for a meaningful, affordable, and universal prescription drug benefit, and community health centers to address the pressing needs in education, defense, and our national infrastructure. For example, the alternative restores the cuts proposed by the President for the Corps of Engineers civil works programs. A safe, reliable, and economically efficient water infrastructure system is vital to our Nation’s economic well being and quality of life, and I am proud to say that the Democratic alternative recognizes the importance of the Corps’ civil works program.

The alternative recognizes the importance of funding our international affairs account, which includes both State Department operating expenses and foreign operations. At a time when the need for U.S. global leadership is greater than ever, I am pleased to say that the Democratic alternative does not shrink from funding these responsibilities.

In the area of housing, the Democratic alternative makes sure that public housing authorities can continue to maintain and upgrade their developments. In fact, not only does it maintain capital levels, but it adds $30 billion per year to the operating subsidy, so that public housing agencies, who house our poorest, most vulnerable citizens, can pay their rising energy bills. In fact, the Democratic alternative restores all the cuts in housing included in the President’s blueprint, including restoring the PHDEP program, and all the activities it supports. In addition, it adds another $2 billion over 10 years to get the federal government back in the business of financing the construction of affordable housing through the HOME program, which is a proven effective delivery system.

In addition, the Democratic alternative ensures funding for some less visible, but no less vital programs. We would fund the Assistance to Firefighters Grant Program, run by the Federal Emergency Management Agency, at the full authorized level, ensuring that our nation’s first responders have the resources they need to safeguard America’s citizens from the dangers of fire. The Democratic alternative supports livable communities by funding mass transit programs, environmental protection efforts, and law enforcement programs. These may not be high-profile issues, but they address very real needs felt by many Americans—needs which are not addressed by the Republican budget before us.

We have come far economically and must be very careful as we move forward so as not to return to the deficits which hampered our economic growth and prosperity. In my opinion there is no reason to emphasize paying down the national debt, protecting Social Security and Medicare, increasing spending for programs important to our Nation’s future, and
providing short-term tax cuts for working Americans. The Republican budget falls far short of the mark in almost every way, but it does raise some concerns about the need for a new prescription drug benefit, and I urge my colleagues to reject it.

Ms. SNOWE. Mr. President, today marks an historic occasion for the Senate. At the end of this fiscal year, not only will the federal government have run a balanced budget without the use of the Social Security surplus for a third consecutive year, the first time that has happened since 1947 to 1949—but the budget resolution we are now considering would reduce the publicly-held debt to its lowest level since World War I.

No longer is business in Washington defined by the terms “deficit” and “debt.” Fiscal responsibility has been reintroduced into the political lexicon and the result should prove a welcome relief not only to this generation but to those yet unborn generations that will be spared the mountain of debt we would otherwise bequeath in a legacy of lavish spending and fiscal recklessness.

In light of these on-budget surpluses we now enjoy and the era of surpluses we are projected to see over the coming ten years, I would especially like to thank the Chairman of the Senate Budget Committee, Senator Pete DOMENICI, for his unwavering commitment to balanced budgets and responsible decision-making.

Thanks in large part to his leadership and his tireless efforts, the turbulent waves of annual deficits and mounting debt that have rocked this place for decades have been calmed. And, if we are willing to adhere to the kind of sound principles expounded for many years into the future. The budget resolution we are now considering not only maintains fiscal discipline, but it does so within a framework that ensures America’s priorities are protected and addressed in fiscal year 2002 and beyond. If the budget is a roadmap, this budget will point us toward four critical goals:

First, it reduces by nearly one-third of the Social Security and Medicare surpluses in upcoming years.

Second, over the coming ten years, it pays down as much of the publicly-held debt as is considered possible, reducing it to its lowest level since 1916.

Third, it provides a substantial funding increase for discretionary spending programs, including education and defense, and, thanks to the adoption of the Grassley-Snowe amendment yesterday, it also includes funding for a new prescription drug benefit.

And, fourth, from the non-Social Security surplus that remains, it provides tax relief for Americans during a time of rising economic uncertainty, and a time when the typical family’s tax burden exceeds the cost of food, clothing, and shelter.

Collectively, I believe these principles and priorities reflect those of most Americans, especially the commitment to protecting Social Security and Medicare surpluses and buying—down publicly-held debt. Accordingly, I believe this resolution deserves broad bipartisan support in the Senate and, ultimately, by the entire Congress.

To truly appreciate how momentous the principles and policies reflected in this budget really are, one need only compare it to where we have been, and where we currently stand, on both tax and spending policies.

As many of my colleagues are all too aware, it was not that long ago that the notion of buying-down federal debt would have been considered akin to a winter without snow in my home state of Maine, or maybe the Boston Red Sox winning the World Series. Except that, when it came to actually reducing the debt, it wasn’t even a case of “wait till next year.” It was more like “Waiting for Godot.”

Yet, unlike Godot, the days of paying down our debt are real and have actually arrived. Through a growing economy and fiscal austerity, the federal government has not only paid down more federal debt over the past three years than at any time in history, $360 billion overall, but we now stand poised to buy-down as much of the debt as is considered financially feasible within the next ten years.

While there are understandable differences of opinion on the precise amount of federal debt that can be retired over this time frame, the simple fact is that this budget resolution calls for the retirement of 2.4 trillion dollars of debt over the coming ten years, leaving us better placed in 2011 than we were at the beginning of 2001. Of note, this level of publicly-held debt, which is the so-called “irreducible” level of debt according to CBO, is even lower than the $1.2 trillion “irreducible” debt level that was identified by both the current administration and the Clinton Administration in its January 2001 report.

By the same token, the spending increases contained in this budget are not only significant, especially when compared to recent history—but targeted toward specific and demonstrated needs.

As my colleagues are aware, it was not that long ago that discretionary spending rarely, if ever, saw an annual increase. In fact, discretionary spending was essentially frozen between 1991 and 1996, with total outlays only $1 billion higher in 1996 than in 1991. Furthermore, from 1986 through the end of the past decade, drug spending grew at an annual rate of 3.7 percent.

In contrast, this budget resolution provides for an increase in discretionary spending of four percent, a rate even higher than inflation. And although such an increase may not please everyone who would prefer that the discretionary spending jumps of the past two years become the norm, the bottom line is that anyone who would have proposed a four percent increase during the past decade would have been considered a “profligate spender!”

In addition to providing a substantial increase in discretionary spending, this budget also provides much-needed funding for a new Medicare prescription drug benefit.

As my colleagues are aware, the need for a new Medicare prescription drug benefit could not be more clear. When Medicare was created in 1965, it followed the private health insurance model of the time—basically, health care. Today, thirty-six years later, the expiration date on this prescription for health care—treating patients in hospitals rather than at home—has long since gone. Correspondingly, the lack of a prescription drug coverage benefit has become the biggest hole, a black hole really, in the Medicare system.

With tremendous leaps in drug therapy occurring almost daily, it is time to bring Medicare “back to the future.” It is time to provide our seniors with prescription drug coverage.

In my view, a solution to this pressing problem can’t come soon enough. Drug coverage should be part and parcel of the Medicare system, not a patchwork system where some get coverage and some don’t. Prescription drug coverage shouldn’t be a “fringe benefit” available only to those wealthy enough or poor enough to obtain coverage. It should be part and parcel of the Medicare system that will see today’s seniors, and tomorrow’s into the 21st Century.

I believe the funding of a new prescription drug benefit my highest priority over the past three years on the Budget Committee. And I’m gratified that those efforts—which led to $20 billion being set aside for this purpose in the FY00 budget resolution, and $40 billion in the FY01 budget resolution, have helped pave the way for $153 billion being set aside for prescription drugs in this year’s budget resolution, and an additional $147 billion being added for this purpose due to yesterday’s adoption of the Grassley-Snowe amendment.

As the Chair of the Finance Subcommittee on Health, I will be doing everything I can to ensure that we can enact a strong, reliable Medicare prescription drug benefit this year, and in that light I’d especially like to thank the Chairman of the Finance Committee, Senator GRASSLEY, for committing himself and our Committee to developing such a benefit by the August recess. And with the additional monies the Grassley-Snowe amendment provided for this purpose, I am confident
that we will not only meet this goal, but also ensure that the benefit we create will be meaningful and secure for years to come.

After we have set aside the Social Security and Medicare surpluses . . . after we have paid down as much debt as possible over the coming 10 years . . . and after we have provided for substantial but responsible and necessary increases in discretionary spending and resources for a new Medicare prescription drug benefit, only then, from the remaining on-budget surpluses, do we provide for a tax cut.

And there should be no mistake, this is much-needed tax relief for the American people. As outlined earlier, I believe that, given growing economic uncertainty, a tax cut is not only warranted in terms of returning some of the surplus to the family now—first place, the American people, but also in terms of the well-being of our economy. As for the need, the numbers speak for themselves.

Economic growth has slowed considerably over the past two quarters. Consumer confidence has fallen precipitously since November and only stabilized this past month. The NASDAQ dropped 26 percent during the last quarter and is down 66 percent from its high of 13 months ago. The Dow has dropped nine percent over the past two months alone, with the S&P 500 dropping 16 percent over the same period of time. And reports of layoffs are coming with increased frequency, even as more and more “dot-coms” continue to close their doors and “virtual reality” has turned into harsh reality for countless investors.

While a tax cut may not actually prevent a recession if one is in the offing, I believe that’s an insurance policy with a total of 11 bipartisan cosponsors. After Reserve Committee Chairman Greenspan stated before the Senate Finance Committee—act as “insurance” should our recent downturn prove to be more than an inventory correction. Given the warning signs in the economy, I believe that’s an insurance plan that Congress can’t afford to forgo, lest we later be justifiably accused of “fiddling while Rome burns.”

But it’s not just the economy that could use a break, it’s also the American taxpayer, especially when you consider that a typical family now pays more in taxes than for the cost of food, clothing, and shelter combined. And, as a percent of GDP, federal taxes are at their highest level, 20.6 percent, since 1944, and all previous record levels occurred during time of war, 1944, 1952, and 1969, or during the devastating recession of the early-1980s in which interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

Given the confluence of circumstances, both economic uncertainty and an historically high level of federal taxes, I believe a portion of the remaining on-budget surplus should be utilized for a tax cut. And by providing the blueprint for a tax cut of up to $1.6 trillion over the coming years, Congress will have the ability to make a determination on both the appropriate size and content of such a package in the weeks ahead.

At the same time, I understand the concerns that have been raised about the certainty of long-term economic and budget projections. Accordingly, I found Federal Reserve Chairman Alan Greenspan’s recent testimony before the Budget Committee very compelling, especially his suggestion that we create some type of trigger mechanism linking tax and spending policies to actual budgetary performance in the future.

Specifically, Chairman Greenspan stated that long-term tax and spending initiatives should “be phased-in” and should include “. . . provisions that, in some way, would limit surplus-reducing actions if specified targets for the budget surplus and federal debt were not satisfied.”

Because the surplus is projected to grow successively larger over the coming 10 years, with two-thirds of the $3.1 trillion surplus in the final five years, any new tax cuts or spending proposals will be forced to be phased-in if we are to preserve the Social Security and Medicare surpluses. Indeed, key provisions of the recent Bush tax proposal that make the marginal rate reductions, are phased-in.

Accordingly, given Chairman Greenspan’s suggestion, I believe it would be prudent for the Congress to enact a trigger that links future tax cuts and spending increases to specific targets for debt reduction. Such a proposal would ensure that all “surplus reducing actions”, both tax cuts and spending increases, are contingent on actual fiscal performance.

Consistent with Chairman Greenspan’s proposal, I worked with Senator BAYH in developing a set of principles underlying a trigger mechanism, and joined in introducing these principles in a bipartisan, bicameral manner last month. The three-point principles we developed, and that were introduced with a total of 11 bipartisan cosponsors in the Senate, were as follows:

1. First, long-term, surplus-reducing actions adopted during the 107th Congress should include a “trigger” or “safety” mechanism that links the phase-in of such proposals to actual budgetary outcomes over the coming ten years.
2. Second, the trigger will outline specific legislative or automatic actions that shall be taken if specified levels of public debt reduction are not achieved.
3. Third, the trigger will only be applied prospectively and not repeal or cancel any previously implemented portion of a surplus-reducing action. In addition, enactment of the trigger will not prevent Congress from passing other legislation affecting the level of federal revenues and spending should future circumstances dictate such action.

Ultimately, we believe the adoption of such a trigger mechanism will ensure that fiscal discipline and debt reduction remain our top priorities as the projected surplus is designated for various purposes during the months ahead. Ultimately, if the surpluses materialize as projected, the trigger would have absolutely no impact on any tax or spending proposals enacted during the 107th Congress. But if they do not, the trigger will provide an added level of fiscal discipline that will prevent a return to annual budget deficits and increased federal debt.

Given the fact that, only a few weeks ago, some argued that a trigger was essentially “dead,” I would like to thank Chairman DOMENICI for agreeing to include these principles in the budget resolution that he planned to offer on the floor. Unfortunately, due to a ruling by the Parliamentarian, I understand that the trigger—including the Medicare Lock-box and the tax cut reconciliation instructions—were subsequently removed.

While the removal of the trigger principles from the Senate budget resolution is a disappointment, I am pleased that momentum for this idea is clearly growing. Not only were these principles nearly part-and-parcel of this year’s budget resolution, but Senator BAYH and I are now in the process of converting these principles into an actual legislative mechanism—and I know that other members are seeking to craft their own mechanisms.

By protecting Social Security and Medicare surpluses, buying down debt, providing substantial funds for a new Medicare prescription drug benefit, enhancing funding for shared priorities such as education and defense, and only then cutting taxes, I believe the Senate budget resolution deserves strong support.

Ultimately, while members from either side of the aisle may disagree with specific provisions in this resolution, the amendment process we are now undertaking provides each of us with the opportunity to offer or support changes that better reflect our priorities. Furthermore, the simple fact is that this is a budget framework, or “blueprint”, that establishes parameters and priorities, but is not the final word on these individual decisions. Rather, specific spending and tax decisions will initially be made in the Appropriations and Finance Committees, and ultimately by members on the floor.

Therefore, I am hopeful that amendments offered to this framework do not harm the broad and reasoned parameters that have been set, and commend the Chairman DOMENICI, again, for his efforts in crafting this balanced resolution.

Mr. ROCKEFELLER. Mr. President, yesterday today I filed an amendment to the Budget Resolution to increase funding for the Federal Bureau of Investigation by $39 million a year, adjusted for inflation. As a new member
of the Senate Select Committee on Intelligence, and as a Senator representing rural towns and counties, I have encountered FBI staffing shortfalls for many years. I believe it is imperative that among our national budget priorities we include adequate funding to address the threat of international terrorism and the spread of urban crime to our rural towns and counties. In the past few years, Congress has increased the number and scope of federal criminal laws, thereby increasing the responsibilities of the FBI, as well as other federal law enforcement agencies. Because of these changes, and the assistance and technical expertise these agencies give to local law enforcement agencies throughout the country, federal law enforcement resources have been stretched thin. In the Fiscal Year 2001 Commerce-State-Justice Appropriations process, we recognized the need to keep the FBI fully staffed, and we required the Bureau to fully fund salaries and benefits for all authorized "workyears" for special agents and support staff. In order to do this, Director Freeh and his staff were required to reprogram $42 million from the agency's equipment and infrastructure accounts to satisfy this need.

Given the expanded responsibilities of the Bureau, this type of "robbing Peter to pay Paul" would be troubling enough. However, the budgetary gymnastics required of the FBI to get through this fiscal year is just a small example of a much more dangerous trend in our funding of federal law enforcement agencies.

Unless we address this funding issue, by the end of the current fiscal year the FBI will have suffered the net loss of 521 special agents since the beginning of Fiscal Year 2000. In planning for the remainder of its budget request for Fiscal Year 2002, Director Freeh determined that in order to maintain salary and benefit levels, the Bureau would need to reduce its staffing by 336 agents and 521 support staff. This force reduction will require the cancellation of almost all of the New Agent training classes for the remainder of this year, and may put in jeopardy another 182 special agent positions and 248 support positions planned for Fiscal Year 2002. This situation is simply untenable for rural states like my home state of West Virginia. After discussions with our U.S. Attorneys over the past few years, I have come to share their frustration over difficulties in carrying out law enforcement activities in West Virginia because of a shortage of resident agents in all of the federal agencies operating in the state. Having too few federal agents in West Virginia has affected numerous federal criminal investigations and prosecutions. Joint state-federal drug interdiction operations in West Virginia, although successful, require a level of participation by federal law enforcement agencies that current staffing levels sometimes prevent.

Perhaps in the past, it made sense to concentrate our federal agents in big cities. Today, unfortunately, many of the crime problems of our cities have infected rural America. Sadly, West Virginia is not immune from this contagion. I believe the funding increase I have outlined here is absolutely necessary to provide West Virginia and other rural states with the federal law enforcement resources they will need to investigate, fight, and hopefully, prevent crime.

Mr. President, as the Ranking Member of the Committee on Veterans Affairs, I must voice my concern about the level of funding for veterans' health care and benefits proposed in the Senate Concurrent Resolution on the FY 2002 budget.

If the Department of Veterans Affairs is funded at the level that the Budget Resolution provides, a $1 billion increase over the FY 2001 appropriation, which might appear generous at first glance, we can expect VA to eliminate staff, delay providing health care and benefits, and slash vital programs.

Much, if not all, of this proposed increase would be consumed in merely overcoming inflation in the costs of providing medical care. It simply will not meet VA's needs in the next fiscal year. As we strive to cut taxes in a responsible manner, we must also anticipate and address the concerns of the men and women who served this Nation.

The alliance of veterans service organizations that authors the Independent Budget for Fiscal Year 2002, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and AMVETS, among others, have concluded that "more must be done to meet the increasing needs of an aging veteran population, adapt to the rising cost of health care, enhance and facilitate benefits delivery, and maintain the continuity of funding for VA programs as a whole."

The Budget Resolution before us would not allow us to fulfill those obligations. We must ensure VA a level of funding that will minimize the impact of inflation, fund existing initiatives, and allow the system to move forward in the ways we all expect.

Urgent demands on the VA health care system make increased funding essential. The landmark Veterans Millennium Health Care and Benefits Act of 1999 significantly expanded VA non-institutional long-term care, which for the first time is available to all veterans enrolled with the VA health care system. As we contend with the dilemma of developing long-term care for all Americans, VA will begin this effort with our Nation's veterans. The Congressional Budget Office estimates that the VA noninstitutional extended care program will cost more than $400 million a year. We must supply adequate funds to fulfill this legislative mandate.

The Millennium Act also ensures emergency care coverage for veterans with no other health insurance options. Necessity demands this costly provision: nearly 1 million veterans enrolled with the VA are uninsured and in poorer health than the general population. Although this new benefit has not yet been either implemented or publicized, claims are already mounting.

Medical inflation and wage increases, factors beyond VA's control, have been estimated to devour nearly $1 billion of VA's budget annually. At the same time, more and more veterans are turning to the VA for health care. In my own state of West Virginia, the number of veterans seeking care from VA has been on a steady increase; total number of veterans statewide. As an example, the Martinsburg VAMC saw its new enrollees increase by 24.7 percent over the last 2 years. Rapidly expanding enrollment at all four West Virginia VA medical centers has jeopardized their ability to provide high quality care in a timely fashion. Unfortunately, similar examples can be found throughout the Nation.

Between new initiatives, long-term care and emergency care coverage, and simply maintaining current services, we must secure an increase of $1.8 billion for health care alone. Unfortunately, maintaining current services may not be enough to ensure that VA can meet veterans' health care needs. The aging veterans population faces chronic illnesses and newly recognized challenges, such as the disproportionate burden of hepatitis C, that will further strain VA facilities. We must anticipate the difficulties of treating complex diseases and ensure that we do not neglect the needs of veterans with multiple, coincident medical problems.

If we simply maintain current services, can we expect VA to restore the capacity for PTSD and spinal cord injury treatment to the 1996 legislatively mandated level? In West Virginia, many veterans not only wait months for specialty care, they have to travel hundreds of miles to get it. We can demand that the excellent clinics to increase veterans' access to primary health care, but we must also ensure that the many veterans who require more intensive, specialized services can turn to adequately funded inpatient programs.

VA research not only contributes to our national battle against disease, but enhances the quality of care for veterans by attracting the best and brightest physicians. The Budget Resolution allows, at best, for a stagnant research budget. Not only will this slow the search for new and better medical treatments, but it could weaken efforts to protect human subjects in
VA-sponsored studies. As increase of $47.1 million will be required merely to offset the effects of inflation and to monitor compliance with increasingly stringent regulatory standards.

Savings may be gained through more resourceful management of VA hospitals and clinics, a possibility that VA is pursuing through its Capital Asset Realignment and Enhancement Studies, CARES. In the meantime, efficiencies should not come at the expense of veterans who turn to the VA health care system for needed treatment, nor should VA neglect essential repairs and maintenance of its infrastructure while awaiting the outcome of the CARES process. Accommodating the backlog of urgently needed construction projects will require an increase of $280 million. A shortened focus and new challenges that require additional funding for staffing. One of these challenges results from an aging workforce. Projections suggest that 25 percent of current VBA decisionmakers will retire by 2004. These losses would be in addition to the staff that has already left service. It takes 2–3 years to fully train a new decisionmaker. Therefore, it is critical that VBA hire new employees now to fully train them before the experienced trainers and mentors have retired.

In addition to this looming succession crisis, extensive new legislation enacted in 2000 will severely affect VBA’s workload. Sweeping enhancements to the Montgomery GI Bill are expected to double VA’s education claim load. Legislation is establishing the “duty to assist” veterans in developing their claims, regulations presumptively connecting diabetes to Agent Orange exposure in Vietnam veterans, and new software systems intended to improve the quality of decisionmaking have severely affected VBA’s workload and slowed output. West Virginia veterans are already receiving letters from the VA regional office warning them to expect a 9–12 month delay for even minimal consideration of their new claims. If VBA is unable to hire new staff, the increasing backlog of claims, which is already unacceptable, would reach abominable levels. Without an increase in staffing, the backlog of claims is expected to grow from the current 400,000 claims, up from 309,000 in September 2000, to 600,000 by March 2002. VBA will need a minimum increase of $132 million to acquire the tools, staffing and technology, to avert this escalating disaster.

The mission of the National Cemetery Administration, NCA, providing an honorable resting place for our Nation’s veterans, is becoming more difficult as we face the solemn task of memorializing an increasing number of our service men and women. It is estimated that 574,000 veterans died last year. The aging of the veterans population is placing additional demands on NCA in interments, maintenance, and other operations. VA has attempted to meet this demand by opening four cemeteries over the last 2 years and planning construction of the six new cemeteries authorized by Congress in 1999. It is estimated that an increase of $21 million will be required to develop these cemeteries.

Increases are also required to maintain the VA’s National Shrine Commitment. We must preserve our national cemeteries so that they do not dis honor those who died serving their country. Sunkem graves, damaged headstones, and even structural deficiencies cannot be tolerated. We applaud VA’s commitment to this initiative and encourage VA to continue the project. In order to rise to this task and operate its current facilities, NCA will require an increase of at least $13 million for a total appropriation of $123 million.

While we consider the best way to cut taxes responsibly, we mustn’t lose sight of our obligations. We all need to agree on how much should go to tax cuts and how much should be saved to strengthen Medicare, invest in education, and fully address the needs of the men and women who have served our country. I anticipate that during the debate on the budget resolution, the Senate will be asked to increase the funding for VA. I urge you all to remember our nation’s promise to our veterans and their families as we deliberate on the critical priorities that will shape this budget.

Mr. DOMENICI. Mr. President, I am very pleased that by adopting the budget resolution today, the United States Senate has endorsed the President’s recent proposal that would provide mandatory funding for the now-bankrupt Radiation Exposure Compensation trust fund.

We passed the Radiation Exposure Compensation Act in 1990 to provide fair and swift compensation for those uranium miners, Federal workers, and downwinders who had contracted certain debilitating and too often deadly radiation-related illnesses. These individuals helped build our nation’s nuclear arsenal and it is unconscionable that there is no funding to indemnify them for their sacrifice and suffering.

Since last May, those who have had their claims approved are receiving only an IOU from the Justice Department. Today we have taken the first step in rectifying this injustice.

The Bush proposal is within the defense function of the budget and would be a declining expenditure from about $100 million in 2002 to less than $5 million at the end of the decade. Total mandatory expenditures budgeted for this program is assumed to be $710 million over the next 10 years. In addition to our positive actions today, I have introduced, along with Senator HATCH, legislation that would provide the appropriate funding for the Radiation Exposure Compensation trust fund. We are seeking our colleagues’ support in moving this legislation expeditiously through the Senate.

It is vital that we act quickly to ensure that these veterans who gave so much for our nation are never again left holding nothing more than a government IOU.

Mr. REID. Mr. President, I rise today to express my sincere gratitude that the Senate agreed to and accepted my amendment late last evening which is of vital importance to our Nation’s veterans.

This amendment will address a resource requirement for a bill that I introduced on January 24, 2001, S. 170, the Retired Pay Restoration Act of 2001, which incidently has over 45 cosponsors and bipartisan support.

The list of cosponsors on S. 170 include the distinguished majority and minority leaders, the chairman and ranking member of the Armed Services Committee. I also would like to recognize Senator HUTCHINSON for his assistance on this legislation.

This amendment will provide funding to correct a 110-year-old injustice against more than 450 thousand of our nation’s veterans.

We have repeatedly forced the bravest men and women in our Nation—retired, career veterans—to essentially receive receipt of a portion of their retirement pay if they happen to also receive disability pay for an injury that occurred in the line of duty.

This requirement discriminates unfairly against disabled veterans by fundamentally requiring them to pay their own disability compensation. S. 170 will permit retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans’ disability compensation.

We are currently losing over one thousand WWII veterans each day. Every day we delay acting on this legislation means that we have denied fundamental fairness to thousands of men and women. They will never have the ability to enjoy their two well-deserved entitlements.

This amendment will ensure that we have the resources necessary to properly fund this legislation and honor those who served our Nation—our veterans.

Recently, President Bush stated that he would support senior veterans. I urge President Bush to do just that and not to leave our veterans behind. Our veterans have earned both of these entitlements—now is our chance to honor their service to our Nation.
We need to be fiscally responsible and protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, continue to pay down the debt, and ensure the funding is available for our Nation's veterans.

The current prosperity of this nation can partially be attributed to the success of past wars and our Nation's veterans. I am unwilling to jeopardize the domestic dividends that will materialize over the next generation for the health and welfare of our veterans and their families.

We have made a commitment to these great Americans. We must ensure that our Nation's veterans receive the dividends of our current surplus.

Accepting the amendment I offered last evening is simply righting the wrong. Our veterans waited silently when there was no money to pay for this legislation, but today there is a budget surplus which provides the perfect opportunity to honor their service to this great Nation.

Mr. DOMENICI. Mr. President, we can go to final passage.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are finished. We are ready to vote on final passage. I do not believe after all these long hours that anyone wants to hear a speech from anyone, regardless of how eloquent the speaker.

Mr. WELLS STONE. Mr. President, if I really would like to hear Senator DOMENICI for a while.

Mr. DOMENICI. He is just one of the few, Mr. President. In any event, we have nothing further. The next vote is final passage.

The PRESIDING OFFICER. Are the yeas and nays requested?

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. DOMENICI. 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. 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.

Without objection, the substitute amendment, as amended, is agreed to.

The amendment (No. 170), as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to H. Con. Res. 83, as amended.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 65, nays 35, as follows:

[Roll Call Vote No. 86 Leg.]

YEAS—65

Allard
Allen
Baucus
Bayh
Benzett
Bond
Brownback
Bunning
Burns
Campbell
Carnahan
Chatfield
Cleland
Cochran
Collins
Craig
Crapo
DeWine
Domenici
Edwards
Eskridge
NAYs—35

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Chafee
Collins
Craig
Crapo
DeWine
Domenici
Edwards

The concurrent resolution (H. Con. Res. 83), as amended, 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.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

KLAMATH BASIN WATER CRISIS

Mr. SMITH of Oregon. Mr. President, the Senate has just completed a long week debating a budget that I believe will help the American people in many ways, and I am proud of that work. But there are thousands of people in southern Oregon who are today getting some very bad news: the water on which the future of their farms and families depend will not be delivered this year.

As I speak, my state is currently experiencing its worst drought in seventy-seven years. And while the lack of irrigation water is not completely the fault of the federal government, the situation has been exacerbated by the actions of federal agencies, primarily the Fish and Wildlife Service and the National Marine Fisheries Service, that have authority over the quantity of water provided to the farmers and ranchers of the Klamath Basin. In the midst of this natural disaster, these two agencies have issued new requirements that increase lake levels in the Upper Klamath Lake as well as streamflows down the Klamath River. These edicts were issued in spite of admissions by Bureau of Reclamation officials that the proposed water levels are not attainable this year, even if there are no agricultural deliveries.

For eight years, the Clinton Administration waged war on hard-working people who depend on natural resources to sustain their families and their communities. Sharp reductions in timber sales and the growth of onerous regulations has already weakened the economy of the Klamath Basin. Now, without irrigation water the economy stands to lose almost $144 million. This cannot be allowed to happen.

When President Bush was elected, the people of Southern Oregon breathed a collective sigh of relief, believing that help was on the way. And although this decision was set in motion by the prior administration, my constituents cannot help but wonder if better days are yet to come. Unfortunately, one thing they do know for sure is that worse times are coming this year. I do not doubt the President’s dedication to farmers, ranchers, and others in the wide rural expanses throughout this land. But I do understand that many of the people in the Klamath Basin cannot help but question this administration’s commitment to their needs.

While I appreciate the immediate assistance the administration has offered, I have to again ask the President to reexamine the draconian orders that have turned a difficult drought into a crisis of immense proportions. In the meantime, I promise the people of the Klamath Basin that I will continue to fight for their needs and for the needs of their families until this dire mistake is rectified.

SUPPORT FOR THE HOPE FOR CHILDREN ACT

Mr. JOHNSON. Mr. President, adoption is a rewarding, but often expensive and frustrating option for many South Dakota families. As a member of the bipartisan “adoption caucus” in the Senate I have tried to make adoption a more viable option for loving parents. During the past couple of years, we have made major improvements in adoption policy including legislation: giving parents of adopted children the same time-off rights as those who give birth; outlawing racial or ethnic discrimination in adoption; automatically giving foreign-born adoptees American citizenship; and implementing international agreements to outlaw trafficking in children and promoting international adoption.
These laws have resulted in an increase of adoptions nationwide by cutting much of the paperwork and bureaucracy. In addition, there are still almost half a million kids in foster care nationwide, and a large number of those are minorities and kids with special needs. There are even more families who want to adopt, but simply can’t afford to. More needs to be done. For too many South Dakotans, adoption is not an option because of the costs associated with it. By some estimates, an adoption can cost upwards of $25,000 in fees, paperwork, and legal assistance.

I am pleased to be an original co-sponsor of bipartisan legislation called the Hope for Children Act. This bill will help South Dakotans choose adoption by increasing the current tax credits for non-special needs children and special needs children to $10,000. This bill will also make the tax credit permanent, adjust the credit for inflation, and increase the income cap for families to be eligible for the tax credit.

I have talked with a number of South Dakotans who have adopted children with special needs, and I discovered that changes needed to also be made to the types of adoption expenses that can be credited. For example, families adopting a special needs child may have to buy a wheelchair or special van for the adopted child with a physical disability. Counseling may also be needed for the family to cope with the extraordinary challenges of a child with special needs. Instead of being limited to the adoption expenses that the Internal Revenue Service decides are allowable, these families would be entitled to the full credit and exclusion under the Hope for Children Act.

South Dakota families will receive tax credits for the first time in their history. The amount that each family gets will be the result of a spirited, yet constructive debate that will take place here in Congress. Throughout this discussion, I will continue to emphasize the need to make changes in our tax code that encourage new and growing South Dakota families through adoption.

SINKING OF THE FV "ARCTIC ROSE" OFF THE COAST OF ALASKA

Mr. BURNS. Mr. President, I would like to take a moment to make note of the 15 people who have lost their lives in the waters off the coast of Alaska. On Tuesday, April 2 the U.S. Coast Guard received a distress signal from the vessel Arctic Rose. The vessel sank with all hands on board in the Bering sea, some 200 miles northwest of St. Paul Island. I would like to join my colleagues in expressing our heartfelt sympathies to the families of those people to recognize those whose lives were lost in this tragic event, and would ask that their names be entered into the record.

Aaron Brocker, Jimmy Conrad, Robert Foreman, Edward Haynes, G.W. Kandris, Kenneth Kivlin, Jeff Melinchek, and Mike Olney, all from Washington. Kerry Egan from Minnesota. Angel Mendez from Texas. Michael Neureiter from California. Dave Rundall from Hawaii. Shawn Bouchard and James Mills from Montana. I am sure I join with all members of Congress and more, express our sincerest condolences to the families of these men.

Mrs. MURRAY. Mr. President, I rise today to express my deep condolences to the family and friends of the 15 men who were aboard the Arctic Rose, which was lost at sea on April 2, 2001. On March 31, 2001, the trawl vessel left St. Paul Island, AK to fish for flathead sole in the Bering Sea. The boat was supposed to be at sea for about two weeks.

Sometime during the early morning of April 2, however, something happened that caused the Arctic Rose to go down. We still don’t know why the fishing vessel sank, but we know that 15 men lost their lives in pursuit of their livelihoods. Nine of these men were from Washington state, and all of them leave behind families, friends and co-workers. My thoughts are with the crewmen’s loved ones, who are only beginning to cope with this tragedy. I also extend my condolences to the owner of the vessel, Mr. David Olney, to the employees of Arctic Sole Food, Inc., and to everyone who is part of this important industry.

Most people are aware that fishing in the seas off Alaska is a dangerous occupation, but it still is a major shock when lives are lost at sea. We must continue our efforts to improve the safety of crews fishing in the Bering Sea and the Gulf of Alaska. One of the ways we can improve safety on Alaska’s water is by creation of individual fishing quotas, which guarantee catch to fishermen. This allows fishermen to wait for better weather before going out to sea. I have consistently supported using quotas as one tool to manage fisheries.

Many of the Alaskan fishing seasons take place during the fall, winter and spring, when the weather is often severe. This business is inherently dangerous. The Arctic Rose had survival suits on board, but it seems the ship went down too quickly for most crewmen to even put them on. Nor were they able to get to the life raft. We should continue our efforts to improve the safety of commercial fishing in Alaska, and throughout the country, but I doubt we will ever be able to completely eliminate the hazards.

The loss of the Arctic Rose reminds us of the risks commercial fishermen take every day to provide seafood enjoyed by people throughout the Northwest and world. Let’s not take their work for granted. While we mourn the loss of the Arctic Rose, we should also thank the men and women who face these dangers every day to bring food to families across our country.

IMPROVED UNITED STATES-INDIA RELATIONS

Mr. TORRICELLI. Mr. President, I rise today to welcome to our nation’s capital the Honorable Jaswant Singh, Minister of External Affairs and Defense for the Republic of India. Minister Singh’s visit will be an opportunity to reaffirm the warm relations between our countries as a new Administration gets established in Washington. The Minister’s visit to Washington will include meetings with the Secretary of State and the Secretary of Defense, as well as the National Security Adviser.

Next week’s Singh’s visit comes at a time of major transition in U.S.-India relations. Last month, Washington welcomed the arrival of the new Indian Ambassador to Washington, Mr. Lalit Mansingh. Ambassador Mansingh succeeded Mr. Pradeep Singh, who was well known and admired by many in Congress during his tenure. Ambassador Mansingh presented his credentials to Secretary of State Powell on March 23, and the two discussed a wide range of issues concerning the future of U.S.-India relations. Secretary Powell reiterated President Bush’s intention to “build on the good work done in the past.”

I hope that the message from the new Administration to Mr. Singh will be one of support for building on the progress in U.S.-India relations that we have seen for much of the past decade. After years of being treated as a relatively low priority, the U.S.-India relationship has, since the early 1990s, steadily moved to a higher priority on the American foreign policy agenda.

President Clinton’s Administration recognized the importance of India, as a trading partner, as a force for stability in Asia, and as a leader for democracy and prosperity in the developing world. The Clinton Administration also recognized the wonderful resource that the Indian-American community, over a million strong, represents in building closer ties between the world’s two largest democracies.

I hope that the Bush Administration will continue this progress. The early signs are that the Administration recognizes the significance of India to the United States. In announcing the nomination of Robert D. Blackwill as his choice to be the next Ambassador to India, President Bush spoke of “the important place India holds in my foreign policy agenda.”

I look forward to reviewing Mr. Blackwill’s nomination in my role as a member of the Senate Foreign Relations Committee. If Mr. Blackwill is confirmed, he would succeed U.S. Ambassador Richard Celeste, the former...
CONGRESSIONAL RECORD—SENATE

April 6, 2001

Mr. JOHNSON. Mr. President, domestic violence is often the crime that victims don’t want to admit and communities don’t want to discuss. However, there is still a great deal of work to be done. The visit to Washington by External Affairs and Defense Minister Singh and then Secretary of State Madeleine Albright signed a joint statement on cooperation in energy and environment in a ceremony at the Taj Mahal in March 2000.

This week, President Clinton has returned to India to visit the State of Gujarat. January’s devastating earthquake that left an estimated 18,000 people dead, and thousands of people homeless.

While the trend in relations between the United States and India has been positive, there is still a great deal of work to be done. The visit to Washington by External Affairs and Defense Minister Singh, just a few months into the new Administration, offers an opportunity to build in the work of the past few years, while charting a new course for even closer ties between our two countries.

ADDRESSING DOMESTIC VIOLENCE IN SOUTH DAKOTA AND AROUND THE COUNTRY

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Governor of Ohio, Ambassador Celeste, who presented his credentials in November, 1997, has served during an eventful time in U.S.-India relations.

In the past two months, as India recovered from the devastating earthquake that struck the state of Gujarat on January 26, Ambassador Celeste has done an excellent job of helping to coordinate the American aid effort. As he prepares to leave New Delhi, I want to congratulate Ambassador Celeste for a job well done.

In the past year, with President Clinton visiting India in March and Prime Minister Atal Behari Vajpayee visiting the United States in September, the level of friendship and partnership between India and the United States is perhaps the highest it has ever been. During last year’s summits between President Clinton and Prime Minister Vajpayee, the United States and India signed a series of agreements to accelerate bilateral cooperation in a wide range of areas. The U.S.-India Vision Statement signed in March 2000, signed in Delhi, pledged cooperation on counter-terrorism. The two countries also pledged to cooperate on issues of nuclear non-proliferation. That agreement also established the U.S.-India Financial and Economic Forum, the U.S.-India Commercial Dialogue, and the U.S.-India Working Group on Trade. Minister Singh and then Secretary of State Madeleine Albright signed a joint statement on cooperation in energy and environment in a ceremony at the Taj Mahal in March 2000.

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Since enactment of the Violence Against Women Act in 1994, the number of forcible rapes of women have declined, and the number of sexual assaults nationwide have gone down as well. Despite the success of the Violence Against Women Act, domestic abuse and violence against women continue to plague our communities. Consider the fact that a woman is raped every 5 minutes in this country, and that nearly one in every three adult women experiences at least one physical assault by a partner during adulthood. In fact, more women are injured by domestic violence each year than by automobile accidents and cancer deaths combined. These facts illustrate that there is a need in Congress to help States and communities address this problem that impacts all of our communities.

Last year, I was pleased to join the successful effort to reauthorize the 1994 Violence Against Women Act. In addition to reauthorizing the provisions of the original Violence Against Women Act, the legislation improves our overall efforts to reduce violence against women by strengthening law enforcement’s role in reducing violence against women. The legislation also expands legal services and assistance to victims of violence, while also addressing the effects of domestic violence on children. Finally, programs are funded to strengthen education and training to combat violence against women.

This year, I am cosponsoring legislation, S. 540, that would establish a permanent Violence Against Women Office in the Department of Justice. This bill would guarantee that the office will continue its work into future administrations and ensure that the Congress’ goals regarding domestic violence, sexual assault, and stalking will be carried out.

As a State lawmaker in 1983, I wrote the first domestic violence laws in South Dakota which dedicated a portion of marriage license fees to help build shelters for battered women. I was also a cosponsor of the original Violence Against Women Act in 1990 in the House of Representatives. Even at that time, many people denied that domestic violence existed in our state. Finally, in 1995, the President signed legislation to strengthen federal criminal law relating to violence against women and fund programs to help women who have been assaulted.

Since the Violence Against Women Act became law, South Dakota organizations have received over $8.7 million in federal funding for domestic abuse programs. In addition, the Violence Against Women Act doubled prison time for repeat sex offenders; established mandatory restitution to victims of violence against women; codified much of our existing laws on rape; and strengthened enforcement of violent crimes against women.

The law also created a national toll-free hotline to provide women with crisis intervention help, information about violence against women, and free referrals to local services. Last year, the hotline took its 300,000th call. The number for women to call for help is: 1-800-799-SAFE.

I am hopeful that, with my support, the Senate will approve S. 540 this year so that we can continue fighting domestic violence and violence against women in our state and communities.

HONORING THE DOOLITTLE RAIDERS

Mr. JOHNSON. Mr. President, I rise today to commend the Doolittle Raiders on the 60th anniversary of their memorable flights.

The surprise Japanese raid of Pearl Harbor was just the beginning of a series of bad news for Americans at the beginning of World War II. In a period of months, the Japanese had invaded and conquered land stretching from Burma to Polynesia. The United States badly needed a boost in morale. The answer was the Doolittle Raid.

The concept was simple: A Navy task force would take 15 B–25s to a point about 450 miles off of Japan where they would be launched from a carrier to attack military targets at low altitude in five major Japanese cities, including the capital city of Tokyo. The planes would then fly to a base in China where they would join the China-Burma-India theater. It was the implementation of the plan that made the men involved in the raid heroes.

On April 18, 1941, sixteen flights of B–25s, one captained by South Dakota native son Capt. Donald Smith, left the deck of the U.S.S. Hornet, bound for Tokyo. But the Japanese had seen the Americans coming, and the planes were forced to take off from the Hornet at least 650 miles from the Japanese coast. The planes would not have enough fuel to make it to China.

All of the planes made their bombing runs on their respective cities, and then turned westward toward China. One crew, with not enough fuel to make it to China, landed in Russia and were prisoners of war for over a year. Eleven of the other planes that reached China faced terrible weather and empty fuel tanks. They proceeded inland, ran out of instruments and bailed out once their fuel tanks reached zero. The remaining four pilots crash-landed their aircraft. Chinese aided the Americans in reaching their base, and more than a quarter-million of the Chinese were subsequently killed by the Japanese for their suspected help. Sixty-four of the “Raiders” eventually made it to the base in China. Others were captured and tortured, or died while ejecting from their planes.

The Doolittle mission was the first good news from the Pacific front, and was a huge boost to American morale. It also devastated the Japanese people,
who had been told by their leaders that their homeland could never be attacked.

In Belle Fourche, SD, on April 18, South Dakotans will be remembering the 60th anniversary of this daring raid. I commend the Doolittle Raiders, and all American veterans, for they are truly America’s heroes. Our country must honor its commitments to veterans, not only because it is the right thing to do, but because it is the smart thing to do.

I will continue to lead efforts to ensure that our nation’s military retirees and veterans receive the benefits they were promised years ago. While I am pleased with some improvements in military health care funding passed into law last year, I am concerned that more needs to be done. Assuredly, I will continue to fight for military retirees and veterans programs throughout this session of Congress.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, April 5, 2001, the Federal debt stood at $5,772,523,327,634.26. Five trillion, seven hundred seventy-two billion, five hundred twenty-three million, three hundred twenty-seven thousand, six hundred thirty-four dollars and twenty-six cents.

One year ago, April 5, 2000, the Federal debt stood at $5,758,941,000,000. Five trillion, seven hundred eighty-one million, seven hundred eighty-one billion, seven hundred forty-one million.

Five years ago, April 5, 1996, the Federal debt stood at $5,138,150,000,000. Five trillion, one hundred thirty-eight billion, one hundred fifty million.

Ten years ago, April 5, 1991, the Federal debt stood at $3,468,754,000,000. Three trillion, four hundred sixty-eight billion, seven hundred forty-one million.

Twenty-five years ago, April 5, 1976, the Federal debt stood at $595,781,000,000. Five hundred ninety-five billion, seven hundred eighty-one million, which reflects a debt increase of more than $5 trillion, $5,176,742,327,634.26. Five trillion, one hundred seventy-six billion, seven hundred forty-two million, three hundred twenty-three million, one hundred thirty-four dollars and twenty-six cents during the past 25 years.

ANIMAL DISEASE RISK ASSESSMENT, PREVENTION, AND CONTROL ACT

Mr. BURNS. Mr. President, I rise today as one of the proud co-sponsors of the Animal Disease Risk Assessment, Prevention, and Control Act of 2001.

This bill will go a long way toward offering the American public and producers the vital information necessary to begin to understand the economic impacts associated with Hoof and Mouth Disease and Bovine Spongiform Encephalopathy (BSE). The risks associated with these diseases to the public health will also be reviewed.

In the United States, we take great pride and have worked diligently to maintain healthy herds. We have spent years creating our breeding programs and ensuring the animals we produce are the finest in the world. This bill will help ensure that effort will not be jeopardized.

We need to create a solid unified front to ensure that all the information available on these diseases is readily accessible. This bill will not only make that knowledge available, it will provide Congress with the information necessary to move forward quickly with any other type of action that is required. This bill will provide an important tool that will allow us to continue producing the safest meat supply in the world.

I look forward to working with Senators HATCH and HARKIN on this very important piece of legislation.

RETIRED PAY RESTORATION ACT

Mr. BURNS. Mr. President, I rise today in support of S. 170, the Retired Pay Restoration Act of 2001.

S. 170 permits retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reasons of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

Currently, a retired military member will have his or her retirement pay offset dollar for dollar when they receive disability compensation from the Veterans Administration. This law is 110 years old and it is long overdue for change.

The military retirement pay is earned over one’s career for longevity, while the VA disability compensation is for a different reason altogether—sustaining an injury while in the service. These are two completely separate issues and military members have suffered over the years by having their retirement pay reduced. The Retired Pay Restoration Act of 2001 will correct this deficiency.

We owe our freedom to those who wore our country’s military uniforms. We must honor our commitment to those who served in the military. This year is the time to overturn the provision in the 110-year-old law that prohibits military retirees from receiving concurrent receipt of full military retirement pay along with VA disability compensation. Entitling these people to receive both retirement pay and disability compensation without any deduction is the right thing to do. It is not a hand out; it is something they deserve and earned for serving our country honorably.

I encourage my colleagues to support S. 170.

ADDITIONAL STATEMENTS

DEATH OF JOHN C. HOYT OF MONTANA

Mr. BURNS. Mr. President, I would like to take a moment to make note of the recent death of a great man and fellow Montanans.

Montana lost one of its proudest natives on Monday, March 26, 2001. John Hoyt died at the Benefis Hospital in Great Falls, during a heart attack catheterization procedure. He was 78.

In Shelby, June 28, 1922, a fascinating and adventurous and truly incredible life began. John’s parents had come to Shelby from Iowa. The family’s background was in farming and ranching. John’s father, a lawyer, raised his family in Shelby during the Great Depression. John spent summers back in Iowa, during the hard times, without modern equipment, without air-conditioning and using a real pitchfork to gather hay in the field and pitch it into the hay mow for the winter. All who knew John, knew those thick hands and fingers of his proved he was no stranger to hard physical work.

John began his college career, on scholarship, at Drake University in Iowa. But, by his own admission, “too much fun” brought that educational experience to an end. Perhaps that was meant to be, because leaving Drake brought John home to Montana, and the University in Missoula, a place where his heart and his loyalty and his support never again left. A true Grizzly is now at rest. But his presence will be forever felt on that campus and in the stadium in Box 102B down on the north end. John will still be cheering on his beloved Grizzlies. He might even give Coach Glenn “a great play” from wherever John is watching!

World War II broke out while John was in undergraduate school at the U of M. The day after Pearl Harbor he joined the Air Force. His eyesight was not good enough to allow him to be the fighter pilot he aspired to be. He proudly became a navigator on a B-24 as a Second Lieutenant. In August of 1944, on a mission between Italy and Vienna, in a fierce air battle involving hundreds of airplanes, John’s was shot down by German fighters. The bomber, named the Jolly Roger, spiraled to the ground and only John and one other were able to escape. The spiral carried the other crew to their deaths, and John was captured and was in a P.O.W. camp for most of a year before the army of General George Patton liberated him and many of his comrades.

John finished his education after the war. He graduated from the University of Montana Law School in 1948. For the past fifty-three years John Hoyt...
TRIBUTE TO MR. ARNOLD
SPIEBERG

Mr. WARNER. Mr. President, today I share with you and my colleagues an extraordinary story about an extraordinary American patriot. The gentleman’s name is Arnold Spielberg. Yes, he is the father; but his own fame was earned, long before his son’s, as a combat airman of the “Greatest Generation.”

Like many of us during World War II, Mr. Spielberg heard the call of our great nation and enlisted in the U.S. Army Signal Corps, at Fort Monroe, Pearl Harbor, in January 1942. After several weeks of training at Fort Thomas and in Louisville, KY, he was transferred to the 422nd Signal Company at the New Orleans Army Air Corps Base near Lake Pontchartrain. Private Spielberg then underwent four weeks of close order drill and teaching Morse code to unwilling recruits. He recalled that in an effort to get the attention of these unwilling recruits, he would send them “colorful” jokes and stories to keep their attention. It worked.

In May 1942, he boarded a troop ship in Charleston, SC and 2 months later, disembarked in Karachi, India. Once in India, he was stationed at the Leslie Wilson Muslim Hostel working at the Karachi Classification Depot. His job was to essentially open up shipments of war materiel, aircraft parts mostly, check them against the technical manuals to figure out which aircraft they went to and label them. While this was important work, Mr. Spielberg wanted to be closer to the action and asked his Commanding Officer for a transfer to the 490th Bombardment Squadron, Medium. He got it and was on his way.

Corporal Spielberg tackled his new assignment with enthusiasm and vigor. He set up the communications system that serviced the control tower for planes practicing strafing and bombing missions on an island in the Indian Ocean. He also started to train as a radio gunner and learned all about the B-25’s, the famous Mitchell bomber, communication equipment, inside and out.

Because of his hard work and diligence, Corporal Spielberg quickly earned the rank of Master Sergeant and the reputation as an expert signalsman. He designed a high gain, bi-directional rhombic antenna, using giant bamboo poles for support. Their signal was as clear as “Ma Bell.” He also tackled the somewhat menacing problem of electric power. The base power was supplied by a large British diesel generator that produced 250 volts at 50 cycles. The radio equipment ran on 115
volts at 60 cycles. In order to use the British generator, the voltage output needed to be reduced. Master Sergeant Spielberg, recognizing a step down transformer however, he knew that would take six months or so to secure. In the meantime, by the use of a little "horse trading," he enlisted the help of some squadron mates to refurbish the unit's old generator which was then turned in as a spare and a new generator was issued.

The world over, U.S. soldiers, sailors and airmen used their common sense "to make do" when faced with challenging situations of all kinds. We didn't always do it "by the book," but we succeeded.

Master Sergeant Spielberg also redesigned some electrical circuitry because of a critical safety flaw that he discovered at night. While performing maintenance on the squadron's large transmitter one morning, Master Sergeant Spielberg turned off the main power source so as to change the bands. Noting the red power light "out," he reached in to pull out the transmitter-turning coil. As he grabbed it, 2600-volts DC current went through his hand and sent him flying in the air. When he returned from seeing the medic, he inspected the transmitter and noticed the relay that controlled the power to the main transmitter was "hot wired" to the power side so that the unit continually received power and could not be shut off. He immediately rewired the unit and drafted a correction notice to be distributed to the entire transmitter-user community.

Master Sergeant Spielberg also had the opportunity to fly combat missions. As the Japanese began their invasion of India with a focus on Imphal, his squad was tasked to fly missions. They supplied the British and Indian troops with food and ammo, and carried out the wounded. The aircrew soon became exhausted and "overflown" so the Communications Officer looked to the ground crew. When asked if he would volunteer to fly, Master Sergeant Spielberg said, "Yeah, I'll go first!"—and he did. He flew missions as the radio gunner, at night, into Imphal, to resupply the troops and bring out the wounded.

Because of his extraordinary initiatives and many other forward-thinking actions, Master Sergeant Spielberg was awarded the Bronze Star medal with a citation that read:

Pursuant to the authority contained in Army Regulations 600–25, War Department, Washington, DC, 22 September 1943, the Bronze Star Medal is hereby awarded to Master Sergeant Arnold M. Spielberg, 15088831:

For meritorious service from 24 July 1942 to 16 October 1944 as communications technician, M/Sgt Spielberg originated numerous modifications and suggestions concerning radio equipment and procedures which were later put in use throughout the Army Air Forces. His untiring efforts and initiative have rendered substantial aid to the operations of his squadron.

By order of Major General Davidson, Headquarters, Tenth Air Force, U.S. Army.

Upon the termination of hostilities in World War II, in the year 1945, all services made an effort to allow those who experienced the battlefields beyond our shores to return, as soon as possible, to their families and homes.

Often the records of their valorous service and the decorations they received had to follow. Given there were over 16 million who proudly wore the uniform of a service, this was a remarkable feat that was accomplished by a war-weary, but joyous nation.

Now, some 56 years later, I was honored to join the present Chief of Staff of the U.S. Air Force, General Michael Ryan, in reviewing the records and expediting the conveyance of the Bronze Star Medal to Master Sergeant Spielberg.

LOS ALAMOS NATIONAL BANK 2000 MALCOLM BALDRIGE NATIONAL QUALITY AWARD RECIPIENT

Mr. BINGAMAN, Mr. President, I rise today to applaud one of the many outstanding businesses in New Mexico and one that has distinguished itself remarkably today.

Today the Los Alamos National Bank was one of four recipients of the Malcolm Baldrige National Quality Award for the year 2000. Bill Enloe, Chief Executive Officer and Chairman of Los Alamos National Bank, and Steve Wells, President of the bank, were on hand today to receive this distinguished award from President George Bush and former Commerce Secretary Norman Mineta.

While I was unable to attend the ceremony, I understand that the employees attending the ceremony from Los Alamos National Bank gave Bill and Steve a rousing reception that matched the magnitude of the award and the weight of the crystal presented to Bill and Steve.

Los Alamos National Bank (LANB) is an independent community bank in northern New Mexico that employs 167 employees and serves the communities of Los Alamos, White Rock and Santa Fe. LANB received the Baldrige award in the small business category.

While the Baldrige examiners and judges recognized LANB for its quality and business achievements, I would like to recognize LANB for its outstanding response in the wake of the Cerro Grande fire that struck in May 1999. LANB's decision to provide zero interest loans to those who lost their homes in the fire was not something mandated by the government, it was something they felt was the right thing to do. LANB's decision to postpone mortgage payments for residents was also the right thing to do. This type of service is rare in today's business market, but truly reflective of what it means to be a community bank and one that provides exceptional service to its customers in times of prosperity and in times of need.

Years ago LANB recognized that if it wanted to remain an independently owned bank, it would have to rise above all other banks and strive for excellence. It's ability to accomplish that goal was recognized today. LANB now stands with only 39 previous Malcolm Baldrige Award recipients. I congratulate Bill, Steve and their fine staff on their accomplishments and commitment to the people of northern New Mexico.

TRIBUTE TO EDDIE FROST

Mr. SESSIONS. Mr. President, during my four years as a member of the United States Senate, I have traveled across the State of Alabama meeting with local community leaders. I am proud to say that I have developed close personal friendships with many of these folks. However, in all of my travels around the state, and meetings with public officials, I have enjoyed none more than getting to know Eddie Frost, the Mayor of Florence, Alabama, who died on March 15 after a battle with leukemia.

Florence, AL is a wonderful city with a population of 36,000 people. It is located on the banks of the Tennessee River in northwestern Alabama, and it is the largest city in the Shoals area. Eddie Frost was raised in the Shoals, graduated from Sheffield High School, and then he graduated from Florence State University in 1961, which is now the University of North Alabama. Before becoming mayor of Florence, Eddie Frost was a teacher and coach at Bradshaw High School in Florence. In 1976, he coached the Bradshaw basketball team to a 6A state championship, and was recognized as the Alabama Coach of the Year.

He was first elected Mayor of Florence in 1984 when the city moved to a mayor-council form of government. He inherited a city with a bleak economic forecast and a high unemployment rate. Throughout his life, however, Eddie Frost always had a vision for bigger and better things. He immediately put to work his positive spirit, his high energy level, and his unsurpassed dedication to Florence. He helped the city revitalize downtown Florence, and today, the downtown area is booming.

He also worked tirelessly to see the Patton Island Bridge completed across the Tennessee River. I remember vividly during my campaign for the Senate, he took me up in the Florence Renaissance Tower and pointed out some lonesome concrete supports standing out in the middle of the river. There was no doubt how strongly he
felt about completing that bridge project. He understood the economic importance this bridge would have for the Shoals area, and he worked side by side with us here in Washington to find funding for this worthy project. Thanks to his leadership, the bridge is nearly complete.

I also remember Eddie Frost proudly taking me on a tour of his city’s recycling center. I admired greatly his use of city prisoners to separate garbage. It provided work for the prisoners, relieved landfill costs, and produced revenue. I have long advocated such projects and have never seen one better run.

Eddie Frost was also instrumental in helping the City of Florence land the NCAA Division II National Football Championship game in 1986. This is a world-class event, and the game has been very successful in Florence. The game has been a success because of the hospitality shown to the players, coaches, and fans by Eddie Frost, the championship committee, and the great people of Florence, Alabama. In December, the city will celebrate the 16th consecutive Division II Championship game in Florence. In addition to football, Eddie Frost brought his love of basketball to Florence. The city is now the home of the annual Alabama-Mississippi high school all-star basketball game.

He was involved in many civic and volunteer organizations, and his life was full of many achievements. He served as President of the Alabama League of Municipalities, Chairman of the American Public Gas Association, Chairman of the Board of Eliza Coffee Memorial Hospital, the hospital in which my eldest daughter was born, and he was Past President of the North Alabama Regional Development Association. He was a Deacon at Highland Baptist Church in Florence, active in the Northwest Alabama Boys and Girls Club, the United Way, the Lauderdale County Heart Association, the Lauderdale County Heart Association, and the Leukemia Society of America.

In 1993 he was named the Florence Citizen of the Year. He was the University of North Alabama’s Alumnus of the Year in 1986, a member of the University of North Alabama Athletic Hall of Fame. Last month he was inducted into the Lauderdale County Sports Hall of Fame and the Alabama High School Sports Hall of Fame.

Eddie Frost not only left his mark on the city of Florence, the Shoals area, and the State of Alabama, he left an impression on our hearts. He was honest, out-going, and he was genuine. But most importantly, he loved people, and he cared deeply for them. He loved his wife Bonnie, and their three children. If you want to offer my sincerest condolences to them, I know the last few months since he was diagnosed with leukemia have been especially difficult for them.

They will always miss Eddie, but they can take great pride in his life he led, and the hearts he touched along the way.

**NDSU WRESTLING TEAM FLOOR STATEMENT**

- Mr. CONRAD. Mr. President, last month the North Dakota State University wrestling team once again showed the strength, grit and determination of North Dakotans by winning the NCAA Division II wrestling championship. Not only was this the second consecutive championship for the Bison, it was the fourth national title in school history.

As a native North Dakotan, I am exceptionally proud of this accomplishment. Defending their NCAA Division II Championship, the Bison finished 7½ points ahead of second place South Dakota State University in the NCAA Division II finals on March 10. This year’s dramatic victory came down to the wire needing a victory by Bison heavyweights Mike High-Nielsen and Kurt Severson over second place rival South Dakota State. Severson rose to the occasion by pinning an opponent he has never previously beaten. The stage for the upset heavyweight finale was set when each of the other Bison finalists, Todd Fuller and Steve Saxlund, did their part by becoming national champs at 174 and 184 pounds. For Saxlund, this was an impressive third straight national championship.

I congratulate the Bison wrestling program. Exceptional coaching, determined wrestlers, and remarkable teamwork led the Bison to their fourth national championship. They qualified all 10 members of their wrestling squad for the NCAA tournament. With all but one returning for next season, I expect to have the opportunity to make a similar announcement next year regarding the Bison’s success in the world’s oldest sport. Again, on behalf of all North Dakotans, I extend congratulations to the Bison on yet another successful season and wish the best of luck to the entire team.

**TRIBUTE TO DR. THOMAS E. STARZL**

- Mr. SPECTER. Mr. President, I wish to recognize and honor Dr. Thomas E. Starzl on the 20th anniversary of the first liver transplant performed in Pittsburgh.

On February 26, 1981, Dr. Starzl made history upon his performance of the first liver transplant at Presbyterian University Hospital (now UPMC Presbyterian). In the two decades since that remarkable accomplishment, Dr. Starzl led the University of Pittsburgh transplant program to national and international prominence. UPMC, now the largest and most successful transplant center in the world, has performed more than 5,700 liver transplants; 3,500 kidney transplants; 1,000 heart transplants; and 500 lung transplants. It is widely attributed to Dr. Starzl’s trailblazing vision.

Dr. Starzl’s influence reaches well beyond western Pennsylvania. He has been a pioneer in the field of organ transplantation for more than 40 years, and has compiled a distinguished career that spans the country and medical technology. Dr. Starzl performed the world’s first liver transplant in 1963 at the University of Colorado, and helped to develop the truly revolutionary surgical techniques and anti-rejection drugs which have brought organ transplantation to the mainstream of American medicine. Dr. Starzl has authored or co-authored more than 2,500 scientific articles and for 31 honorary doctorates, and has been honored with more than 175 awards. Most recently, he was a co-winner of the King Faisal International Prize in Medicine for the year 2000, sharing the award with two other transplant pioneers. Although retired from clinical practice since 1991, Dr. Starzl continues to actively contribute to biomedical research as the director emeritus of the transplant institute in Pittsburgh, renamed in his honor in 1996. The Thomas E. Starzl Transplantation Institute and the University of Pittsburgh will pay tribute to Dr. Starzl this month with a “Festschrift,” a collection of articles by colleagues, former students and others published in his honor. This special event will inaugurate the Starzl Prize in Surgery and Immunology and unveil a portrait of Dr. Starzl that will be displayed in the University of Pittsburgh School of Medicine.

With more than 20 years of landmark advancements in such a scientifically sensitive field to his credit, I salute Dr. Thomas E. Starzl for his remarkable dedication and honor his contribution to the lifesaving field of organ transplantation.

**MARY WALTERS**

- Mr. BINGAMAN. Mr. President, I learned this morning that Mary Walters, one of New Mexico’s most outstanding citizens has died at age 79. She was a received a spirit if there ever was one, and many of us who knew and admired her feel this loss keenly.

Not yet twenty-one, she served as a WASP, Women’s Auxiliary Service Pilots transport pilot during World War II. In a move that would shape her later career, she used her soon-to-expire GI benefits to go to college and then went on to earn a law degree at age forty. For the next half of her life, she went places no woman had gone before. She was a, a received a spirit if there ever was one, and many of us who knew and admired her feel this loss keenly.

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district court. Her service on the New Mexico Court of Appeals, 1978–1984, led to the New Mexico Supreme Court where she became the first woman to sit on that bench.

During a critical period for women’s rights, Mary Walters took the lead in our state and in our profession. She had many admirers. My wife, Anne, and I, were among them. She was a marvelous person whose life was a blessing to all who appreciated her strength and spirit, and whose death reminds us all what a force for good she was.

CELEBRATION OF CHAUL CHHNUM, CAMBODIAN NEW YEAR

- Mr. REED. Mr. President, I rise today to join Cambodian-Americans in celebration of the traditional Cambodian New Year, Chaul Chhnum, one of the major celebrations of the Cambodian culture. For three days this month, gatherings across the United States will be celebrating the beginning of the year. I take this opportunity to wish all Cambodian Americans a very happy New Year.

New Year celebrations are about the passing of time and the rejuvenation of optimism for the future. The Cambodian New Year is this and more. It represents a traditional end of the harvest and a celebration of faith. Traditionally, it was a time for farmers to relax before the rainy season began. The start of the New Year is marked by the sounding of a bell. With the sounding, it is believed that the New Angel arrives. Throughout the day people participate in religious ceremonies and bring food to the Buddhist monks and religious leaders. The second day of celebration, or Vana Bat, is a time to show respect. Gifts are offered to parents, grandparents and teachers. The third day, or Loeng Sak, includes more religious ceremonies and rituals to bless the harvest and enjoy the fruits of their harvest and relax before the rainy season began.

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As we approach the beginning of Chaul Chhnum, I encourage all U.S. citizens to join in the spirit of this special holiday.

NATIONAL PECAN MONTH

- Mr. CLELAND. Mr. President, April is National Pecan Month. One of the nation’s important agricultural products, pecans are the only major tree nut that can be considered a true American nut. Pecans were first discovered growing in North America and parts of Mexico in the 1600’s and were given the name “pecan” based on the Native American word of Algonquin origin, meaning “all nuts requiring a stone to crack.” Pecans were favored by pre-colonial residents and served as a major source of food because they were accessible to waterways and easier to shell than other North American nut species.

Today, pecans are grown in Alabama, Arizona, Arkansas, California, Florida, Georgia, Kansas, Louisiana, Mississippi, North Carolina, New Jersey, South Carolina, Oklahoma, South Carolina and Texas and are enjoyed around the world as the perfect nut. According to U.S. Department of Agriculture statistics, over 346 million pounds of pecans were produced in the U.S. in 1999. In fact, the majority of the world’s pecan production, 80 percent, comes from the U.S.

While valued for their wonderful aroma and flavor, scientific research has begun to recently reveal an even more important reason to make pecans part of an everyday, healthy diet. According to researchers at leading academic institutions in this country, pecans have many of the important nutritional attributes that health professionals recommend. Not only are nutrition researchers finding that pecans can lower blood cholesterol levels when incorporated into the diet, food scientists have also found that pecans are a concentrated source of plant sterols, which are widely touted for their cholesterol-lowering ability. Numerous studies have also shown that phytochemicals like those found in pecans act as antioxidants, which can have a protective effect against many diseases.

Since 90 percent of the fat in pecans is of the heart-healthy unsaturated variety, they fit right into the government’s latest U.S. Dietary Guidelines for Americans issued in May 2000. The latest dietary guidelines from the American Heart Association, AHA, also bode well for pecan lovers. The new AHA guidelines specifically advise Americans to limit their intake of saturated fat and to “substitute grains and unsaturated fatty acids from fish, vegetables, legumes and nuts” in their place.

In addition to their cholesterol-lowering properties and heart-healthy fats, pecans contain more than 19 important vitamins and minerals, including vitamins A and E, folate, calcium, magnesium, phosphorus and several B vitamins, and are a good source of fiber. Pecans are part of the protein group in the U.S. Department of Agriculture’s Food Guide Pyramid, making them a nutritious alternative for Americans who are vegetarians or striving to eat a more plant-based diet. Pecans, which are naturally sodium-free, are also ideal for anyone who wishes to restrict their sodium intake.

Pecans, a true all-American nut, deserve to be recognized. Not only for their long history of providing sustenance and enjoyment, but for the health benefits they can provide to Americans—especially those striving to eat a healthier diet. I hope my colleagues will join me in celebrating “National Pecan Month.”

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, 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 referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

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–1341. A communication from the Acting Administrator of Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled “Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches” (Doc No. PV01–916–1 FPR) received on April 3, 2001 to the Committee on Agriculture, Nutrition, and Forestry.

EC–1342. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled

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“Fenpyroximate; Time-Limited Pesticide Tolerance” (FR 6771–1) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1348. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Amendments to Vehicle Inspection Maintenance Inspection Programs and the Onboard Diagnostic Check” (FRL6962–9) received on April 3, 2001; to the Committee on Environment and Public Works.

EC-1349. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Adjustments to Vehicle Inspection Maintenance Inspection Programs and the Onboard Diagnostic Check” (FRL6962–9) received on April 3, 2001; to the Committee on Environment and Public Works.

EC-1350. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Signatures Based on the Effect of Tobacco Products” (RIN2900–AJ59) received on April 3, 2001; to the Committee on Veterans’ Affairs.

EC-1351. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Adjustments to Vehicle Inspection Maintenance Inspection Programs and the Onboard Diagnostic Check” (FRL6962–9) received on April 3, 2001; to the Committee on Environment and Public Works.

EC-1352. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled “Rules of Practice and Procedure” (RIN2950–AA15) received on April 2, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-1353. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the Arms Export Control Act, the certification of a proposed Manufacturing License Agreement with the Republic of Korea, to the Committee on Foreign Relations.

EC-1354. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a report concerning the promulgation of an interim rule which amends 22 CFR 41.81; to the Committee on Foreign Relations.

EC-1355. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule entitled “2000 Nonconventional Source Fuel Credit” (Notice 2001–31) received on April 3, 2001; to the Committee on Finance.

EC-1356. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Annual Performance and Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC-1357. A communication from the Chairman of the National Science Foundation, transmitting, pursuant to law, the report of the Annual Performance Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC-1358. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the report of the Annual Performance Plan Report for Fiscal Year 2000 and the Performance Plan for Fiscal Year 2002; to the Committee on Governmental Affairs.

EC-1359. A communication from the Secretary of the Department of Agriculture, transmitting, pursuant to law, the report of the Annual Performance and Accountability Report for Fiscal Year 2000; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-4. A joint resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Appropriations.

WHEREAS, the United States government had adopted and is implementing a plan for the recovery of the grizzly bear and gray wolf in the Northern Rocky Mountain region; and

WHEREAS, the federal policy to restore the grizzly bear and gray wolf in the Northern Rocky Mountain region has a continuing financial obligation which is evidenced by the broad segment of the United States population which imposed the policy in order to continue the effective management of these species; and

WHEREAS, significant portions of the range of the grizzly bear and gray wolf are located within the Northern Rocky Mountain region on lands managed by the United States Department of the Interior and the United States Department of Agriculture; and

WHEREAS, the management of resident wildlife species not being threatened or Endangered Species Act of 1973, as amended, is the responsibility of the states; and

WHEREAS, grizzly bear and gray wolf populations are increasing and should therefore be removed from the federal list of endangered species, thereby shifting a substantial responsibility from management of these wildlife species to the state of Wyoming; and

WHEREAS, the state of Wyoming acknowledges its responsibility and authority for the management of the grizzly bear and gray wolf in the Northern Rocky Mountain region after those species have been removed from the list of endangered species; and

WHEREAS, providing substantial permanent and stable source of funding to help pay for the continuing costs of managing these unique species is essential for the successful management of these wildlife species, consistent with their respective legislative mandates. Now, therefore, be it

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature endorses the establishment of the Northern Rocky Mountain Grizzly Bear and Gray Wolf Management Trust as a special trust fund under the Wyoming Wildlife Foundation, to provide funding for the management and compensation payments for losses incurred by individuals and entities, state and federal, as a result of the removal of the grizzly bear and gray wolf from the list of endangered species. The Wyoming Wildlife Foundation shall be charged with the responsibility of soliciting and investing money to continue the funding of the trust, and to make payments from the trust to those individuals and entities, state and federal, as a result of the removal of the grizzly bear and gray wolf from the list of endangered species.

Section 2. That the Wyoming State Legislature requests that the United States Congress fund the corpus of the Management Trust with a minimum of forty million dollars ($40,000,000.00) which is the minimum amount presently anticipated to be required to fund the obligations

POM-5. A joint resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Appropriations.
resulting from the continuing management of these species following delisting.

Section 3. That the Secretary of State of Wyoming conveys a resolution adopted by the Legislature of the State of Wyoming, to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture and to the Wyoming Congressional Delegation.

Section 4. The Secretary of State of Wyoming is directed to transmit copies of this resolution and a copy of the list of members voting on this proposal to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture and to the Wyoming Congressional Delegation.

Section 5. A concurrent resolution adopted by the Legislature of the State of North Dakota relative to amending the Constitution of the United States; to the Committee on the Judiciary.

Section 6. That the Secretary of State transmit copies of this resolution to the Committee on the Judiciary.

Section 7. That the Legislative Assembly rescinds the following applications made by the Legislative Assembly to the Congress of the United States calling for a convention pursuant to Article V of the United States Constitution:

1. That the United States Congress propose such an amendment to the Constitution of the United States to add a new article providing as follows:

"The Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances;" and

2. That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States;

3. That the Fifty-seventh Legislative Assembly also proposes that the legislatures of each of the several states comprising the United States that have not yet made a similar application to the United States Congress requesting enactment of an appropriate amendment to the Constitution of the United States, and apply to the United States Congress to propose such an amendment to the Constitution of the United States;

4. That the Secretary of State transmit copies of this resolution to the President and Vice President of the United States, the presiding officer in each house of the legislature in each of the states in the Union, the President of the United States Senate, and to each member of the North Dakota Congressional Delegation.

Be it further resolved, That the Legislative Assembly, acting with the best of intentions, has, at various times, applied to the Congress of the United States to call a convention to propose amendments to the North Dakota Constitution, pursuant to the provisions of Article V of the United States Constitution; and

Whereas, former Justice of the United States Supreme Court Warren E. Burger, former Associate Justice of the United States Supreme Court Arthur J. Goldberg, and other leading constitutional scholars agree that such a convention may propose sweeping changes to the Constitution, any limitations or restrictions purportedly imposed by the states in applying for such a convention or conventions to the contrary notwithstanding, thereby creating an imminent peril to the well-established rights of citizens and the duties of various levels of government; and

Whereas, the Constitution of the United States has been amended many times in the nation’s history to find a cure for a condition that would only create legal chaos in this nation and only begin the process of another two centuries of litigation over its meaning and interpretation; Now, therefore, be it

Resolved by the Senate of North Dakota, the House of Representatives concurring thereto:

That the Legislative Assembly rescinds the following applications made by the Legislative Assembly to the Congress of the United States calling for a convention pursuant to Article V of the United States Constitution:

1967 House Concurrent Resolution "1–1", calling for a convention to amend the Constitution of the United States, relating to apportionment;

1971 Senate Concurrent Resolution No. 4013, calling for a convention to amend the Constitution of the United States to provide revenue sharing;

1975 Senate Concurrent Resolution 4018, calling for a convention to amend the Constitution of the United States to require a balanced budget for each session of Congress except in time of war or national emergency;

1979 Senate Concurrent Resolution No. 4033, calling for a convention to amend the Constitution of the United States to prohibit federal estate taxes; and

Be it further resolved, That the Legislative Assembly urges the legislative bodies of each state calling for a convention to amend the Constitution of the United States to prohibit federal estate taxes; and

Be it further resolved, That the Secretary of State forward copies of this resolution to the presiding officer of each legislative body in each state, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the members of the North Dakota Congressional Delegation, and to the administrator of General Services, Washington, D.C.
CONGRESSIONAL RECORD—SENATE
April 6, 2001

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. SPECTER for the Committee on Veterans' Affairs:

Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

(Additional nominations reported with the recommendation that it be confirmed subject to the nominee’s commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BOND (for himself and Mr. BREAUX):

S. 724. A bill to amend title XXI of the Social Security Act to provide for coverage of pregnant low-income pregnant women; to the Committee on Finance.

By Mr. GRASSLEY:

S. 725. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury to issue regulations covering the practices of enrolled agents before the Internal Revenue Service; to the Committee on Finance.

By Mr. BREAUX (for himself, Mr. THOMAS, Mr. MILLER, Mr. CLELAND, Ms. LANDRIEU, Mr. SHELEY, Mr. BUNNING, and Mr. Frist):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

By Ms. COLLINS (for herself and Mr. Frist):

S. 727. A bill to amend the Internal Revenue Code of 1986 to provide for the award of construction contracts under that Act to persons who have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Foreign Relations.

By Mr. DeWINE:

S. 733. A bill to eliminate the duplicative intent requirement for carjacking; to the Committee on the Judiciary.

By Mr. BOND (for himself and Mr. KERRY):

S. 734. A bill to amend the Foreign Service Buildings Act, 1936, to expand eligibility for the award of construction contracts under that Act to persons who have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Appropriations.

By Mr. ALLARD (for himself, Mr. REID, and Mr. Ensign):

S. 736. A bill to amend title 10, United States Code, to provide for the appointment of a Chief of the Veterinary Corps of the Army in the grade of brigadier general, and for other purposes; to the Committee on Armed Services.

By Mr. REID (for himself and Mr. Ensign):

S. 737. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the “Joseph E. Dini, Jr. Post Office”; to the Committee on Governmental Affairs.

By Mr. SMITH of New Hampshire:

S. 738. A bill to amend the Voting Rights Act of 1965 to protect the voting rights of members of the Armed Forces to vote by mail; to the Committee on Rules and Administration.

By Mr. WELLSTONE (for himself, Mrs. MURKAY, Mr. DAYTON, Ms. STABELOW, Mr.왔, Mr. HATCH, Mr. DURBIN, Ms. LANDRIEU, Mr. DASCHLE, Mr. REID, and Mr. JOHNSON):

S. 739. 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. HUTCHINSON:

S. 740. A bill to preserve open competition and Federal Government neutrality toward the labor relations of Federal Government contractors on Federal and federally funded construction projects; to the Committee on Governmental Affairs.

By Mr. SESSIONS:

S. 741. A bill to amend the Internal Revenue Code of 1986 to provide tax credits with respect to nuclear facilities, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BACA, Mr. BREAUX, Mr. MURKOWSKI, Mr. KERRY, Mr. JEFFORDS, Mr. TORRICELLI, Mr. KYL, Mrs. LINCOLN, Mr. HUTCHINSON, Mr. HAGEL, Mr. DURBIN, Mr. GREGG, Mr. SCHUMER, Mrs. HUTCHINSON, Mr. BAYH, Mr. CHAFEE, and Mr. REID):

S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.
By Mr. LEAHY (for himself, Mr. Kohn, Mr. Schumer, and Mr. Durbin): S. 754. A bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs; to the Committee on the Judiciary.

By Mrs. MURRAY (for herself and Mr. SMITH of Oregon): S. 755. A bill to continue State management of the West Coast Dungeness Crab fishery, to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. JOHNSON: S. Res. 68. A resolution designating September 6, 2001 as "National Crazy Horse Day"; to the Committee on the Judiciary.

By Mr. BAYH (for himself and Mr. LUGAR): S. Res. 69. Resolution congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women's basketball championship; considered and agreed to.

By Mr. DURBIN (for himself and Mr. SMITH of New Hampshire): S. Res. 70. Resolution honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the United States and their animals; considered and agreed to.

By Mr. HARKIN: S. Res. 71. A resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery; to the Committee on Governmental Affairs.

ADDITIONAL COSPONSORS

S. 99

At the request of Mr. KOHL, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 99, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes.

S. 145

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

S. 170

At the request of Mr. REID, the name of the Senator from Connecticut (Mr. DONN) was added as a cosponsor 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. 198

At the request of Mr. CRAIG, the name of the Senator from Colorado (Mr. ALLARD) 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 State eligible weed management entities to control or eradicate harmful, non-native weeds on public and private land.

S. 258

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

S. 277

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

S. 388

At the request of Mr. MUKEWOSKI, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 388, a bill to protect the energy and security of the United States and decrease America's dependency on foreign oil sources to 50% by the year 2011 by enhancing the use of renewable energy resources conserving energy resources, improving energy efficiencies, and increasing energy supplies; improve environmental quality by reducing emissions of air pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; and for other purposes.

S. 432

At the request of Mr. MUKEWOSKI, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 432, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 570

At the request of Mr. BIDEN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 570, a bill to establish a permanent Violence Against Women Office at the Department of Justice.

S. 643

At the request of Mr. BAUCUS, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 643, a bill to implement the agreement establishing a United States-Jordan free trade area.

At the request of Mr. REED, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 656, a bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent resident.

S. 661

At the request of Mr. THOMPSON, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel exercise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 697

At the request of Mr. HATCH, the names of the Senator from Rhode Island (Mr. CHAFFEE), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 697, supra.

S. CON. RES. 14

At the request of Mr. CAMPBELL, the name of the Senator from Mississippi (Mr. LOTTY) was added as a cosponsor of S. Con. Res. 14, a concurrent resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of it.

S. RES. 66

At the request of Mr. THOMAS, the names of the Senator from Delaware (Mr. CARPER), the Senator from Ohio (Mr. VINOCHICH), the Senator from Oklahoma (Mr. INOFFE), the Senator from Michigan (Ms. STABENOW), the Senator from Mississippi (Mr. COCHRAN), the Senator from Vermont (Mr. LEARY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Iowa (Mr. GRASSLEY), the Senator from Georgia (Mr. MILLER), the Senator from Tennessee (Mr. Frist), the Senator from Oklahoma (Mr. NICKLES), the Senator from Missouri (Mr. BOND), the Senator from Georgia (Mr. CLELAND), the Senator from Idaho (Mr. CRAIO), the Senator from Texas (Mrs. HUTCHISON), the Senator from New Hampshire (Mr. GREGG), the Senator from Colorado (Mr. ALLARD), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Rhode Island (Mr. CHAFFEE), the Senator from Wyoming (Mr. ENZI), the Senator from New York (Mr. SCHUMER), the Senator from Utah (Mr. HATCH), the Senator from Rhode Island (Mr. REED), the Senator from Minnesota (Mr. DAYTON), theCONGRESSIONAL RECORD—SENATE
At the request of Mr. Leahy, his name was added as a cosponsor of amendment No. 183 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Dodd, the names of the Senator from New York (Mrs. Clinton), and the Senator from Maryland (Ms. Mikulski) were added as cosponsors of amendment No. 234 intended to be proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Dodd, the names of the Senator from New York (Mrs. Clinton), the Senator from Indiana (Mr. Bayh), the Senator from Massachusetts (Mr. Kennedy), the Senator from Connecticut (Mr. Lieberman), and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of amendment No. 235 intended to be proposed to H. Con. Res. 83, a concurrent resolution establishing 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.

At the request of Mr. Conrads, his name was added as a cosponsor of amendment No. 236 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Domenici, his name was added as a cosponsor of amendment No. 237 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mrs. Murray, his name was added as a cosponsor of amendment No. 238 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, his name was added as a cosponsor of amendment No. 239 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Conrads, his name was added as a cosponsor of amendment No. 240 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mrs. Murray, his name was added as a cosponsor of amendment No. 241 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bayh, the names of the Senator from Indiana (Mrs. Landrieu), the Senator from Louisiana (Ms. Landrieu), the Senator from Wyoming (Mr. Enzi), the Senator from Arizona (Mr. Boren), the Senator from Colorado (Ms. Salazar), the Senator from New Mexico (Ms. Landrieu), the Senator from Maryland (Ms. Mikulski), and the Senator from Ohio (Mr. Voinovich) were added as cosponsors of amendment No. 242 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Maine (Ms. Collins), the Senator from Tennessee (Mr. Voinovich), the Senator from Alaska (Ms. Murkowski), and the Senator from Minnesota (Ms.剡omnia) were added as cosponsors of amendment No. 243 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 244 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Byrd, the names of the Senator from South Carolina (Mr. Hollings), the Senator from Ohio (Mr. DeWine), the Senator from Massachusetts (Mr. Kennedy), the Senator from California (Mrs. Feinstein), the Senator from Missouri (Mrs. Murray), the Senator from Vermont (Mr. Leahy), the Senator from Maine (Ms. Collins), and the Senator from Massachusetts (Mr. Kerry), and the Senator from California (Mrs. Feinstein), and the Senator from Connecticut (Mr. Lieberman), and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of amendment No. 245 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mrs. Murray, his name was added as a cosponsor of amendment No. 246 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Maine (Ms. Collins), the Senator from Tennessee (Mr. Voinovich), the Senator from Alaska (Ms. Murkowski), and the Senator from Minnesota (Ms.剡omnia) were added as cosponsors of amendment No. 247 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 248 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 249 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Conrads, his name was added as a cosponsor of amendment No. 250 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mrs. Murray, his name was added as a cosponsor of amendment No. 251 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Conrads, his name was added as a cosponsor of amendment No. 252 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 253 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 254 proposed to H. Con. Res. 83, a concurrent resolution 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.

At the request of Mr. Bingaman, the names of the Senator from Nevada (Mr. Reid), and the Senator from Florida (Mr. Breaux) were added as cosponsors of amendment No. 255 proposed to H. Con. Res. 83, a concurrent resolution 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.
At the request of Mr. Jeffords, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 303
At the request of Mr. Domenci, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, a concurrent resolution 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. At the request of Mr. Rockefeller, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mr. Graham, the names of the Senator from Minnesota (Mr. Wellstone), the Senator from Massachusetts (Mr. Kennedy), the Senator from New Jersey (Mr. Corzine), the Senator from Louisiana (Ms. Landrieu), the Senator from Massachusetts (Mr. Kerry), the Senator from New Mexico (Mr. Bingaman), and the Senator from North Carolina (Mr. Edwards) were added as cosponsors of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Ms. Collins, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mrs. Hutchinson, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mr. Schumer, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Mrs. Carnahan, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

At the request of Ms. Snowe, her name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 317
At the request of Mr. Graham, the names of the Senator from Arkansas (Mr. Hutchinson), the Senator from Washington (Mrs. Murray), the Senator from New York (Mrs. Clinton), the Senator from Louisiana (Ms. Landrieu), and the Senator from New Mexico (Mr. Bingaman) were added as cosponsors of amendment No. 317 proposed to H. Con. Res. 83, a concurrent resolution 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.

AMENDMENT NO. 316
At the request of Mr. Grassley, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, a concurrent resolution 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.

AMENDMENT NO. 315
At the request of Mr. Domenici, his name was added as a cosponsor of amendment No. 315 proposed to H. Con. Res. 83, a concurrent resolution 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.

AMENDMENT NO. 325
At the request of Mr. Grassley, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, a concurrent resolution 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.

AMENDMENT NO. 324
At the request of Mr. Inhofe, the names of the Senator from Virginia (Mr. Allen), the Senator from Louisiana (Mr. Breaux), the Senator from Virginia (Mr. Warner), the Senator from Florida (Mr. Graham), the Senator from Idaho (Mr. Craig), the Senator from Idaho (Mr. Craapo), the Senator from South Dakota (Mr. Daschle), the Senator from Illinois (Mr. Durbin), the Senator from South Dakota (Mr. Johnson), the Senator from Nebraska (Mr. Hagel), the Senator from Wyoming (Mr. Enzi), the Senator from Washington (Mrs. Murray), the Senator from California (Mrs. Feinstein), the Senator from Minnesota (Mr. Wellstone), the Senator from Nebraska (Mr. Nelson), the Senator from Wyoming (Mr. Thomas), the Senator from New Mexico (Mr. Bingaman), the Senator from Colorado (Mr. Obama), the Senator from Hawaii (Mr. Akaka), the Senator from Tennessee (Mr. Frist), and the Senator from Vermont (Mr. Jeffords) were added as cosponsors of amendment No. 324 proposed to H. Con. Res. 83, a concurrent resolution 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.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—APRIL 5, 2001

By Mr. Hatch (for himself, Mr. Harkin, Mr. Campbell, Mr. Durbin, Mr. Daschle, Mr. Roberts, Mr. Dayton, Mr. Conrad, Mr. Campbell, Mr. Dorgan, Mr. Johnson, Mr. Feingold, Mr. Kohl, Mr. Nelson of Nebraska, Mr. Grassley, Mr. Lugar, Mr. Bond, Mr. Brownback, Mrs. Feinstein, Mr. Akaka, Mr. Bingaman, Mr. Baucus, Mr. Craig, Mr. Enzi, Mr. Thomas, Mrs. Lincoln, Mr. Edwards, Mr. Hollings, Mr. Helms, Mrs. Clinton, Mr. Craapo, Ms. Mikulski, Mr. Leahy, Mr. Fitzgerald, Mr. Wyden, Mr. Rockefeller, Mr. Allard, and Ms. Stabenow):

S. 708. A bill to provide the citizens of the United States and Congress with
a report on coordinated actions by Federal agencies to prevent the introduction of foot and mouth disease and bovine spongiform encephalopathy into the United States and other information to assess the economic and public health impacts associated with the potential threats presented by those diseases; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HATCH. Mr. President, I rise today to introduce the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. I want to thank my friend and colleague, Senator Tom Harkin, for his partnership in developing this bipartisan bill. I also want to recognize Senator Campbell's exceptional leadership in bringing to the forefront of public discussion the issue of the health of our domestic cattle herds. We are jointly sponsoring this legislation. Senators Durbin, Lugar, Daschle, and Leahy, as well as one-third of the Senate in this bipartisan effort.

Our bill makes clear the Congress's commitment to our livestock industry and to ensuring our public health. Our goal is to make certain that the Congress and the American public are fully informed as to the reliability of our nation's animal health inspection system, its ability to protect our domestic herds and the American public from the potential introduction into the United States of foot and mouth disease and bovine spongiform encephalopathy (BSE), commonly referred to as mad cow disease. The presence of either of these diseases would have staggering economic consequences for our country.

In addition, it is imperative, as this bill directs, that we learn more about the possible public health consequences of BSE so that we can be confident that we continue to successfully prevent any potentially negative impacts on human or animal health. Americans from Salt Lake City, Iowa City and across the country need to maintain confidence that the beef products they purchase and consume are safe.

The public has no doubt heard the media reports on the recent cases in Europe of BSE and the outbreak of FMD, and they have heard about the devastating effects these outbreaks have had on the livestock industries in that part of the world. With all this media coverage, misconceptions have arisen which could make matters worse than the situation merits.

The public deserves to know the facts surrounding these animal diseases, their threat to public health, and their potential means of transmission. This is one of the basic goals of our legislation—to help overcome the lack of information surrounding these diseases. However, in the unfortunate event that it becomes necessary to fight this disease at home, we must ensure that the government and other officials have the necessary tools to move swiftly and completely to control these diseases.

We have been successful so far in preventing the return of FMD to the United States. No case of BSE has ever been identified in the United States. This bill is intended to continue that success into the future.

Here is what the bill does in a nutshell. The legislation lays out a series of detailed findings that set forth the current state of knowledge with respect to these two diseases. A key provision of the bill requires the Secretary of Agriculture to submit two reports to Congress. The first report, to be submitted in 30 days of enactment, requires the Administration to identify any immediate needs for additional legislative authority or funding. The second report, to be submitted within 180 days of adoption, requires the submission of a comprehensive analysis of the risks of FMD and BSE to American livestock and beef products, the potential economic consequences if FMD or BSE are found in the United States, and information concerning the potential linkage between BSE and variant Creutzfeldt-Jacob Disease (vCJD), a condition affecting humans.

The legislation requires the Secretary of Agriculture to consult with the Secretaries of State, Treasury, Defense, Commerce, Health and Human Services, the United States Trade Representative, the Director of the Federal Emergency Management Agency, and other appropriate federal personnel when she develops both the reports mandated by this bill. In addition, in issuing the comprehensive 180 day report, the Secretary of Agriculture must consult with international, State, and local government animal health officials, experts in disease research, prevention and control, livestock experts, representatives of blood collection and distribution entities, and representatives of consumer and patient organizations. A chief goal of that report is to help her devise a coordinated plan to prevent the introduction of FMD and BSE into the United States and to help identify the proper corrective steps if FMD and BSE find their way into our country.

Mr. President, I would like to take this opportunity to comment upon some common myths on this issue. First, the public should know that there is no known etiologic relationship between BSE and FMD. While it is true that these diseases have occurred in the same region within a shared time frame, the fact is that the two diseases are quite distinct and have occurred independently from one another.

BSE is contagious, neuro-degenerative and is transmitted by the consumption of infected bovine tissue. BSE is a transmissible, neuro-degenerative disease in cattle. The disease is referred to as mad cow disease. The prescience of years, but once active in cattle it is believed to have an incubation period of years, but once active in cattle it can quickly become fatal in a matter of a few weeks. It is carried in the brain and spinal cord of the animal, not in the meat products normally consumed by humans.

BSE is suspected to have first appeared in England in 1983. It is believed to have originated in France and Belgium in the mid-1970's. BSE is contagious, neuro-degenerative and is transmitted by the consumption of infected bovine tissue. BSE is a transmissible, neuro-degenerative disease in cattle. The disease is referred to as mad cow disease. The prescience of years, but once active in cattle it is believed to have an incubation period of years, but once active in cattle it can quickly become fatal in a matter of a few weeks. It is carried in the brain and spinal cord of the animal, not in the meat products normally consumed by humans.

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Mr. President, another concern held by some is that there is a strong risk of humans being infected by these diseases, either by eating meat or through some other means of transmission. Let me first discuss BSE. There are, in fact, human spongiform encephalopathies. An example of such a disease is the recently discovered variant of Creutzfeldt-Jacob Disease. Scientists have not determined that a definitive causal link exists between BSE and variant Creutzfeldt-Jacob Disease or other spongiform encephalopathies found in humans. The Centers for Disease Control and Prevention (CDC) has stated: "Although there is strong evidence that the agent responsible for these human cases is the same agent responsible for the BSE outbreaks in cattle, the specific foods that may be associated with the transmission of this agent from cattle to humans are not known."

Scientists are currently studying the incidence and spread of African swine fever, a highly contagious virus affecting cloven hoofed animals, including cattle, swine, sheep, goats, deer, and others. Although this disease was eradicated in the 1920s, it exists today in Europe. It is transmitted by a single infected animal or animal product from another country, or by a person or conveyance that carries the virus from another country. It can then spread quickly among our domestic herds and be transmitted to the United States. Scientists also believe that this practice led to the spread of BSE in Great Britain and Europe. I want to emphasize that the importation into the U.S. of grazing animals from BSE-prevalent countries has been forbidden since 1997. I also want to point out that U.S. law also prohibits the feeding of most animal proteins to grazing animals.

As for foot and mouth disease, it is a highly contagious virus affecting cloven hoofed animals, including cattle, swine, sheep, goats, deer, and others. Although this disease was eradicated in the 1920s, it exists today in Europe. It is transmitted by a single infected animal or animal product from another country, or by a person or conveyance that carries the virus from another country. It can then spread quickly among our domestic herds and be transmitted to the United States. Scientists also believe that this practice led to the spread of BSE in Great Britain and Europe. I want to emphasize that the importation into the U.S. of grazing animals from BSE-prevalent countries has been forbidden since 1997. I also want to point out that U.S. law also prohibits the feeding of most animal proteins to grazing animals.

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April 6, 2001

CONGRESSIONAL RECORD—SENATE

While these studies are ongoing, the Food and Drug Administration (FDA) has achieved a success in reducing the spread of human spongiform encephalopathies in the United States by disqualifying any individual who lived in the United Kingdom for more than six months since 1980 from donating blood while in the U.S.

With respect to foot and mouth disease, it is principally an animal disease and is not thought to be threatening to human health. Humans can, however, spread the disease to animals.

I am concerned that based on the outbreak of these diseases in Europe and the potential for spread into the U.S., consumers might question the safety and wholesomeness of animal products sold in this country. Because of our vigilance in the past our nation has a very solid supply of meat, and we should be proud of that. In fact, other nations have been seeking out American meat products, because they know that our animals health system is strong and has successfully kept these diseases out of our domestic livestock herds.

Mr. President, the Animal Health Risk Assessment, Prevention, and Control Act of 2001, will help the United States to maintain the safety of our food supply and will help our nation to evaluate the sufficiency of the steps taken, or planned, to protect our citizens from any potential untoward impacts if these animal diseases enter into the United States.

Mr. HARKIN, Mr. President, today I am pleased to join Senator HATCH and thirty-seven other Senators in introducing the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. This legislation helps make sure that we are on solid footing to protect our country's public and economic sectors from the astounding losses that could come from an animal disease such as Foot and Mouth Disease, FMD, or Bovine Spongiform Encephalopathy, BSE, arriving on our shores.

As we know all too well from observing the experience of the EU, either of these diseases could potentially wreak tens of billions of dollars in lost livestock and markets if they were ever found in the U.S. BSE, with its suspected linkages to New Variant Creutzfeldt-Jacob Disease, could cause some Americans to suffer its cruel, fatal effects.

Fortunately, we have an animal and public health system that has successfully prevented either of these diseases from entering our country. This is testimony to the men and women who work each day to protect our nation from foreign animal diseases. But the price of this success is unremitting vigilance. We must ensure there are no gaps in our defenses. The sheer volume of travel and commerce between the United States and the European Union is placing unprecedented strain on our animals health system.

This legislation will give Congress a clearer picture of where the potential risks to animal and human health may lie, and what must be done to prevent them. It will provide Congress and the public with a blueprint for what is currently being done for five days prior to travel, and contact with livestock or wildlife for five days after arrival in the U.S. In another incident, two producers who were part of a tour group returning from Ireland through Chicago O'Hare International Airport independently sought out disinfectant for their shoes and other belongings before returning to the state, after realizing that no airport or airline personnel were requiring travelers to take any such precautions.

This week I have worked with my colleagues on both sides of the aisle to draft a bill to address these needs. Today, I join Senators HARKIN and HATCH and over 40 of our colleagues to introduce The Animal Disease Risk Assessment Prevention and Control Act of 2001. The bill would require USDA, in consultation with other relevant federal agencies, to submit what I think will be very valuable information to Congress in the shortest time feasible.

First, the bill would require USDA to provide information about the Administration’s prevention and control plan, including: 1. How federal agencies are coordinating their activities on FMD and BSE; 2. How federal agencies are communicating information on FMD and BSE to the public; and 3. Whether the Administration needs additional legislative authority or funding to most appropriately manage the threat that FMD, BSE, or related diseases may pose to human health, livestock, or wildlife.

Second, the bill would require USDA to provide information relevant to a longer-term disease prevention and management strategy for reducing risks in the future, including: 1. The economic impacts associated with the potential introduction of FMD, BSE, or related diseases into the United States; 2. The potential risks to public and animal health from FMD, BSE, and related diseases; and 3. Recommendations to protect the health of our animal herds and livestock from these risks, including, if necessary, recommendations for additional legislative authority or funding.

One of the most important steps we can take to prevent the introduction of FMD and BSE to the U.S. is also one of the simplest: improved access to information. In addition to the actions USDA, FDA and other agencies are taking to control the diseases, it is imperative that the State Department, the Department of Treasury, the Department of Transportation, and other agencies act immediately to provide the
Ayden Breaux: Mr. President, I rise today to introduce a bill that I believe is vitally important to the health care of children and pregnant women in America. The goal of this legislation is simply to make sure that more women and more children are covered by health insurance so they have access to the health care services they need to be healthy.

The need is great, on any given day, approximately 11 million children and close to half a million pregnant women do not have health insurance coverage. For many of these women and children, they or their family simply can’t afford insurance, and lack of insurance often means inability to pay for care. The further tragedy is that quite a few are actually eligible for a public program like Medicaid or the State Children’s Health Insurance Program, but many of those don’t know they are eligible and are not signed up.

Lack of health insurance can lead to numerous health problems, both for children and for pregnant women. A child without health coverage is much less likely to receive the health care services that are needed to ensure the child is healthy, happy, and fully able to learn and grow. An uninsured pregnant woman is much less likely to get critical prenatal care that reduces the risk of health problems for both the woman and the child. Babies whose mothers receive no prenatal care or late prenatal care are at-risk for many birth problems, including birth defects, premature births, and low birth-weight.

The bill I am introducing deals with this insurance problem in two ways. First, it is important to provide prenatal care for low-income pregnant women under the State Children’s Health Insurance Program—also known as SCHIP—if the state chooses. Through the joint federal-state SCHIP program, states are currently expanding the availability of health insurance for low-income children. However, federal law prevents states from using SCHIP funds to provide prenatal care to low-income pregnant women over age 19, even though babies born to women in this age group are at-risk for many birth problems.

Approximately 41,000 additional women could be covered for prenatal care. There are literally billions of dollars of SCHIP funds that states have not used yet, so I would hope the most states would choose this option. This provision will not impact federal SCHIP expenditures because it does not change the existing federal spending caps for SCHIP. Babies born to pregnant women covered by a state’s SCHIP program would be automatically enrolled and receive immediate coverage under SCHIP themselves.

It is foolish to deny prenatal care to a pregnant mother and then, only after the baby is born, provide the child with coverage under SCHIP. Prenatal care can be just as important to a newborn baby as postnatal care, and the prenatal care is of course important for the mother as well.

We know that states will be interested. Two states have already gone through the difficult Health Care Financing Administration waiver process to get permission to cover pregnant women through their SCHIP programs. But you shouldn’t have to get a waiver to do something that makes so much sense. This bill will make it an automatic option that any state can do without the need of a waiver.

Second, the bill will help states reach out to women and children who are eligible for either Medicaid or SCHIP. Approximately 340,000 pregnant women and several million children are estimated to be eligible for but not enrolled in Medicaid. Millions of additional children are eligible for but not yet enrolled in SCHIP. We must reach out to these people to make sure they know they have options which they are not using.

When Congress passed the welfare reform bill back in 1996, we created a $500 million fund that states could tap into to make sure that all Medicaid-eligible people stayed in Medicaid. The problem is that only half of that fund has been used. My bill would give states more flexibility to use this fund to reach out to both Medicaid and SCHIP-eligible women and children.

The bill tries to make greater use of what is known as presumptive eligibility. Under presumptive eligibility, states are allowed to temporarily enroll children whose family income appears to be below Medicaid or SCHIP income standards, until a final determination of eligibility is made. This is useful because it allows people to get health care services at the same time that they are waiting, sometimes for as much as a month or two, for a final eligibility determination.

Without presumptive eligibility, experience has shown that fewer people will fill out the applications forms, and fewer people will be willing to wait until a final decision is made. When it comes to trying to ensure that people get health care, we need to remove as many barriers as possible. That is why presumptive eligibility is useful, it removes a barrier.

Right now, states may grant presumptive eligibility for both pregnant women in Medicaid and for children in Medicaid and in SCHIP. Because my legislation would allow pregnant women to be covered through SCHIP for the first time, my bill also extends presumptive eligibility for pregnant women into the SCHIP program. In addition, in legislation passed last December, Congress expanded the types of sites states can use to grant presumptive eligibility for children to also include schools and other entities that states think will be able to identify people eligible for these programs. However, we failed to give states the ability to use these additional entities as sites to enroll pregnant women. My bill would correct that omission.

The bottom line is that this bill will help provide health care to more pregnant women. With hundreds of thousands of pregnant women lacking insurance, and with hundreds of thousands lacking adequate prenatal care, we are compelled to focus on this issue.

I believe this is crucial legislation, and urge my colleagues to join me in support of it so that we can pass this bill.

By Mr. Grassley. Mr. President, today I rise to introduce the Enrolled Agent Credentials Protection Act. This bill would codify in that standards, until a final determination of eligibility is made. This is useful because it allows people to get health care services at the same time that they are waiting, sometimes for as much as a month or two, for a final eligibility determination.

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words "Enrolled Agent" or the abbreviations "EA" and "E.A."

A number of states have enacted laws that restrict the right of Enrolled Agents to use their credentials or designations as Enrolled Agents. The Supreme Court has held in similar situations that because the Federal Government grants the license, restricting its use is an unwarranted exercise of state powers. This legislation is consistent with the Uniform Accountancy Act, Third Edition, as drafted by the American Institute of Certified Public Accountants and National Association of State Accountancy Boards.

Enrolled Agents have been providing valuable services to taxpayers since 1884. Since that time, the profession has evolved and now includes preparing and advising on tax returns for individuals, partnerships, corporations, estates, trusts and any entity with tax reporting requirements. They also provide affordable representation to individuals and small businesses with disputes before the Internal Revenue Service. At present, there are approximately 35,000 Enrolled Agents in the country providing practical and affordable tax service to taxpayers.

Enrolled Agents are highly qualified tax professionals. While certified public accountants and licensed attorneys also represent taxpayers before the Internal Revenue Service, only Enrolled Agents are required to demonstrate to the IRS their technical competence in the field of taxation. In order to maintain their status as Enrolled Agents, they must take 72 hours of continuing professional education, reported every three years to the IRS. Because Enrolled Agents focus on federal taxes and tax administration, they are able to keep on the forefront of current changes in the law and regulations.

The Enrolled Agent designation dates to the Enabling Act of 1884 and the profession was recognized by Treasury Circular 230, the same body of regulations that governs the practice of attorneys and certified public accountants before the Internal Revenue Service.

This bill would restate the statutory validation that Enrolled Agents hold and allow them the right to use their credentials as Enrolled Agents. In doing so, this bill does not add to the powers that Enrolled Agents currently maintain, nor would it affect the rules and regulations provided for in Treasury Circular 230.

Section 10.30 of Circular 230 authorizes Enrolled Agents to advertise and display their ability to practice before the IRS provided the designation is not misleading or deceptive to the public. Neither Congress nor the Treasury Department intended for the right to practice to interfere with the right of Enrolled Agents to inform taxpayers that they hold a license to practice before the Internal Revenue Service.

By Mr. BREAX (for himself, Mr. THOMPSON, Mr. MILLER, Mr. CLELAND, Ms. LANDRIEU, Mr. Shelby, Mr. BUNNING, and Mr. FRIST):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

Mr. BREAUX. Mr. President, I am introducing legislation today to address a problem that has prevented municipal gas systems from using their tax exempt borrowing authority to obtain an assured, long-term supply of competitively-priced natural gas. I am joined today by my colleagues, Senators THOMPSON, MILLER, CLELAND, LANDRIEU, SHELBY, BUNNING and FRIST.

There are approximately 1,000 publicly owned gas distribution systems in the United States. Many of which are located in small towns and rural communities across my home state of Louisiana and across the country. In 1993, the Federal Energy Regulatory Commission, FERC, recognized the nature and scale of municipal gas systems could no longer purchase natural gas supplies on a reliable and regulated basis from interstate natural gas pipelines. This fundamental change in the marketplace meant that for the first time municipal gas systems had to acquire reliable gas supplies and transport on their own in a deregulated marketplace. In response, many formed joint action agencies—as contemplated in the FERC restructuring, to acquire and manage the delivery of gas.

In today's turbulent natural gas markets, long-term prepaid supply arrangements are the most reliable means of obtaining an assured supply of natural gas. Such supply contracts, a municipality or a joint action agency issues tax-exempt bonds. These contracts contain stiff penalties if the supplier fails to fulfill its contract—making this the most reliable gas supply that municipal gas agencies can purchase. The seller discounts the price for several reasons including the fact that a prepaid contract eliminates the normal credit risk associated with selling gas to non-rated governmental entities. Municipal gas systems are able to obtain gas supplies at more competitive prices. Until August of 1999, joint action agencies entered into prepayment supply contracts with gas suppliers to obtain a long-term, e.g., 10-year, supply of gas.

In August 1999, the IRS effectively prevented municipal gas systems from using their tax-exempt borrowing authority to fund the purchase of long-term, prepaid supplies of natural gas for their customers. In a statement on an unrelated matter, the IRS questioned whether the purchase of a commodity, such as natural gas, under a prepaid contract financed by tax-exempt bonds has a principal purpose of earning an investment return. In this scenario, the bonds would run afoul of the arbitrage rules of the Internal Revenue Code.

Confusion over the IRS' statement and fear of impending regulations has led to the effective elimination of an extremely effective method of securing natural gas for local communities. The IRS has yet to issue any clarification or guidance on this issue.

Under current law, tax-exempt bonds may not be used to raise proceeds that are then used to acquire "investment-type property" having a higher yield than the bonds. Governmental bonds that violate this arbitrage restriction do not qualify for tax-exempt status. Treasury regulations provide that investment-type property includes certain payments for property or services "if a principal purpose for pre-paying is to receive an investment return." But, "a prepayment does not give rise to investment-type property if . . . the prepayment is made for a substantial business purpose." Since then, Enrolled Agents have been providing practical and affordable representation to individuals and small businesses with disputes before the Internal Revenue Service. At present, there are approximately 35,000 Enrolled Agents in the country providing practical and affordable tax service to taxpayers.

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Mr. FEINGOLD. Mr. President, I rise today to join my friend and colleague from Maine to introduce the "Teaching Children to Save Lives Act." This legislation will help schools in their efforts to provide students with chain of survival training, including training in cardiopulmonary resuscitation, CPR, and in the use of Automated External Defibrillators, AEDs. It is vital that we support local and community based efforts to equip younger generations with the necessary skills to deal with life-threatening cardiac emergencies.

Over two hundred twenty thousand Americans die each year of sudden cardiac arrest. About 50,000 of these victims lives could be saved each year if more people implemented the "Chain of Survival," which includes an immediate call to 911 and defibrillation, and early advanced life support. The Teaching Children to Save Lives Act will help strengthen the second link in the Chain by providing grants to schools to implement CPR training programs and help some schools train their students in AED use.

In Wisconsin, we've seen many examples where a school age child or teenager is the first witness to a heart attack. Unfortunately, most kids would not know what to do in the face of such an emergency. As a matter of fact, many adults wouldn't know what to do either. In response to this break in the chain of survival, a number of localities have pushed for increased CPR training and public access to defibrillation in schools.

In my home state of Wisconsin, a broad coalition including the Children’s Hospital of Wisconsin, the American Red Cross, the American Heart Association and the Children’s Hospital Foundation created Project Adam in memory of a student who tragically collapsed and passed away while playing competitive sports. This legislation follows the lead of Project Adam, which fosters awareness of the potential for sudden cardiac arrest in the adolescent population and facilitates training of high school staff and students in CPR and in the use of AEDs.

The Teaching Children to Save Lives Act builds on these efforts by providing funding to teach the basics of the chain of survival and provide funding for AED training devices. This legislation also has sufficient flexibility to allow States and communities the ability to address their local needs. For example, schools could either begin their efforts to teach the Chain of Survival by starting a CPR training program or build on existing efforts by applying for grants to train students to use automatic external defibrillators. As a result of Project Adam, at least one life has
been saved so far and three other children have survived episodes because of early defibrillation.

Many of our schools lack the resources they need for basic health educational programs. This legislation would follow the lead of local efforts such as Project Adam and demonstrate that the Federal government wants to be a partner in these lifesaving efforts.

I want to especially thank my friend from Maine, Senator Collins, who has worked with me to improve the chain of survival across the United States. Without her leadership last year on our legislation to improve access to defibrillators in rural areas, we would not have been able to move forward with legislation that will improve cardiac survival rates across rural communities.

I hope my colleagues will join us in our continued efforts to improve cardiac arrest rates by working with us to pass this important legislation to provide communities the support they need to effectively teach CPR in the schools.

By Mr. KOHL (for himself, Mr. DORGAN, and Mr. CONRAD):

S. 728. A bill to establish a demonstration project to waive certain nurse aide training requirements for specially trained individuals who perform certain specific tasks in nursing facilities participating in the medicare or medicaid programs, and to conditionally authorize the use of resident assistants in such nursing facilities; to the Committee on Finance.

Mr. KOHL. Mr. President, I rise today to introduce the Medicare and Medicaid Nursing Services Quality Improvement Act. I am pleased to work with Senate Majority Leader Daschle and Senator Byrd in this important effort to improve the quality of care in our nation's nursing homes.

This legislation serves two purposes. First, as part of an 8-State demonstration project, it allows Wisconsin nursing homes to continue utilizing Resident Assistants, or "single task employees" as they are referred to in Wisconsin, to help provide care to residents. Second, it provides for a thorough evaluation of Resident Assistants to assess their impact on quality of care, as well as their impact on the recruitment, retention, and salaries of other nursing staff.

For the past seven years, many nursing facilities in Wisconsin have been utilizing single task employees to help provide care to residents. Single task employees have helped primarily with feeding and hydration services and have provided often-needed extra assistance during the busier mealtime hours. All single task employees must go through a training program. In many cases, those who perform these single tasks are already on staff serving in other non-nursing capacities.

Last year, the Health Care Financing Administration, HCFA, notified the State of Wisconsin that the use of single task employees in nursing homes was not permissible under Federal law. In particular, HCFA noted that only staff who have undergone the required training to become a Certified Nurse Aide, CNA, can perform related tasks in Medicaid facilities. Therefore, faced with no other recourse, Wisconsin submitted and HCFA approved a plan to phase out the use of single task employees by the end of 2001.

I am deeply concerned that the immediate removal of all single task employees could worsen staffing shortages that many Wisconsin nursing homes already face. A December, 2000 survey of 237 Wisconsin nursing homes found that nearly 32 percent were currently suspending or restricting admissions or had done so in the prior six months due to inadequate staffing.

I recognize that there are many factors that have contributed to staffing shortages in Wisconsin and across the nation. I believe that we need to look for long-term solutions to strengthen training and improve staffing in nursing homes, and I am committed to working in that effort. We must all work together to find ways to attract greater numbers of qualified people to become CNAs, and ensure they receive the support, training and compensation they deserve for their hard work and dedication.

In the meantime, this legislation provides a short-term solution to address the staffing shortages Wisconsin nursing homes face today. Under the bill, Wisconsin would be one of 8 demonstration States and could continue to use single task workers, referred to in the legislation as "Resident Assistants" to account for differences in terminology between States, in Wisconsin nursing homes. They would be limited to feeding and hydration services for residents, to provide an extra pair of hands at busier mealtimes, and to provide some assistance to nurse aides who are stretched so thin so they can focus on other critical nursing tasks.

Most importantly, let me reiterate that this is a time-limited demonstration project. This legislation provides that we collect reliable data on the use of Resident Assistants, which will be analyzed by an advisory panel made up of nursing home representatives, Long-Term Ombudsmen, State and Federal officials, consumer groups, and labor representatives.

The advisory panel will look at a variety of factors to determine the impact of the project, including: the effect on quality of care compared to non-demonstration States, the effect on staffing levels and ratios in nursing homes, the effect on recruitment, retention and salaries of nursing aides, and resident satisfaction with feeding and hydration services.

The advisory panel will evaluate this data and submit recommendations to the Secretary of the Department of Health and Human Services. The Secretary will then submit a final report to Congress on the demonstration. If the Secretary finds that the demonstration project resulted in diminished quality of feeding and hydration services, or if recruitment, retention, or salaries of nursing staff decreased as a direct result of the use of Resident Assistants, then the demonstration project would end and all nursing homes must cease using Resident Assistants. However, if the Secretary finds that the demonstration projects were successful, only then may the Secretary expand the use of Resident Assistants nationwide, but with the same safeguards as the demonstration project. They would be limited to feeding and hydration services, required to undergo comprehensive training and be supervised by licensed health professionals, and be subject to the same requirement that they may only augment, not replace nursing staff.

This legislation will not only help stave off an even greater staffing problem in Wisconsin today. It will also give us the opportunity to take a closer look at Resident Assistants so we can make an informed determination as to whether they can help improve the quality of care in our nation's
nursing homes. Our nursing homes in Wisconsin believe that Resident Assistants should and will be allowed to perform the tasks covered by this bill will allow us to keep an open mind and look at all of the evidence in a thorough evaluation. This legislation helps address the challenges we face today. At the same time, let me reiterate that I am committed to working with my colleagues to look for longer-term solutions to address staffing shortages in order to ensure quality nursing home care far into the future.

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. 728
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 “Medicare and Medicaid Nursing Services Quality Improvement Act”.

SEC. 2. DEMONSTRATION PROJECT TO WAIVE CERTAIN NURSE AIDE TRAINING REQUIREMENTS FOR SPECIALLY TRAINED INDIVIDUALS WHO PERFORM CERTAIN COVERED TASKS IN MEDICAID AND MEDICARE NURSING FACILITIES.

(a) DEMONSTRATION PROJECT.—Not later than October 1, 2001, the Secretary shall conduct a demonstration project under which a resident assistant may perform a covered task for a resident of a covered nursing facility in a demonstration State.

(b) REQUIREMENTS.—
(1) MINIMUM STAFFING REQUIREMENTS NOT AFFECTED.—A resident assistant performing a covered task under this section—
(A) may augment, but not replace, existing staff of a covered nursing facility; and
(B) shall not be counted toward meeting or complying with staffing requirements for nursing care staff and functions of such a facility, including any minimum nursing staffing requirement imposed under section 1819 or 1919 of the Social Security Act (42 U.S.C. 1395l–3, 1396n).

(2) EXCLUSION OF PARTICIPATION.—
(A) BASED ON REPLACEMENT OF CERTIFIED NURSING STAFF.—
(i) IN GENERAL.—Subject to clause (ii), the Secretary may exclude from participation in the demonstration project any covered facility that the Secretary determines (on the basis of data submitted under subsection (c) or otherwise) has replaced certified nurse assistants with resident assistants.

(ii) LIMITATION.—The Secretary may not exclude a facility under clause (i) unless the Secretary has reviewed all pertinent data that may reflect on a reduction of nursing staff in the facility, including changes in resident population and case mix.

(B) BASED ON POOR TREATMENT RECORDS OR INSUFFICIENT LICENSED STAFF.—The Secretary may exclude from participation in the demonstration project any covered nursing facility that a State survey agency recommends be excluded because of unsatisfactory treatment of residents provided by the facility, as determined by the Secretary.

(c) DATA COLLECTION.—
(1) DEMONSTRATION INITIAL WORKFORCE.—
(A) IN GENERAL.—At the beginning of a covered nursing facility’s participation in the demonstration project, the facility shall submit to the Secretary a demonstration plan that describes the demonstration project, the facility independently verifiable data regarding the composition of the facility’s workforce at the time such participation commenced, and the number of such assisted performing additional tasks; and
(B) DATA REGARDING RESIDENT ASSISTANTS.—Such data shall include—
(i) the number of resident assistants in the facility hired solely to perform covered tasks; and
(ii) the number of residents of the facility for whom such assistants are responsible.

(d) REPORTS TO CONGRESS.—
(1) ANNUAL REPORTS.—Not later than December 1 of each of 2002 and 2003, the Secretary shall submit to Congress a report on the demonstration project under subsection (c) that meets the requirements of paragraph (3).

(2) FINAL REPORT.—Not later than December 1, 2004, the Secretary shall submit a report to Congress required under section 3(c)(2)(B) that includes the recommendations of the advisory panel convened under paragraph (4).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

(f) DEFINITIONS.—In this section:
(1) DEMONSTRATION STATE.—The term “demonstration State” means—
(A) Wisconsin, (B) North Dakota, and (C) not more than 6 States (other than Wisconsin and North Dakota) as selected by the Secretary which, as of the date of enactment of this Act, have established or proposed a program, project, or policy to permit individuals who do not meet nurse aide training requirements to perform a covered task.

(2) COVERED NURSING FACILITY.—The term “covered nursing facility” means—
(A) a skilled nursing facility (as that term is defined in section 1819(a) of the Social Security Act (42 U.S.C. 1395l–3(a))), and (B) a nursing facility (as that term is defined in section 1919(a) of the Social Security Act (42 U.S.C. 1396n(a))).

(3) RESIDENT ASSISTANT.—
(A) IN GENERAL.—The term “resident assistant” means an individual who does not meet nurse aide training requirements (as defined in paragraph (5)) but who does meet the requirements specified in subparagraph (B).

(B) RESIDENT ASSISTANT REQUIREMENTS.—For purposes of subparagraph (A), the requirements specified in this subparagraph are the following:

(i) The individual has successfully completed an initial training program administered by the facility that meets the requirements of subparagraph (C) and subsequent competency evaluations, as reviewed and approved by the demonstration State or the Secretary.

(ii) The individual performs a covered task under the onsite supervision (as defined in paragraph (6)) of a licensed health professional (as defined in section 1819(b)(5)(G) of the Social Security Act (42 U.S.C. 1395l–3(b)(5)(G))).

(iii) In the case of an individual performing a feeding and hydration covered task, the determination of the residents who may receive such a task from a resident assistant shall be based on the needs and potential risks to the resident, as observed and documented in the resident’s written plan of care.
and the comprehensive assessment of the resident’s functional capacity required under section 1818(b) or 1919(b) of the Social Security Act (42 U.S.C. 1395–3(b), 1396r(b)).

(iv) The Individual complies with any other limitations on performance of duties which may be established by the demonstration State.

(C) TRAINING PROGRAM REQUIREMENTS.—For purposes of subparagraph (B)(1), a training program shall—

(i) relate to the performance of the covered task to be performed by the individual; and

(ii) include—

(I) feeding skills and assistance with eating;

(II) the importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration;

(III) an overview of the aging and disease process, as it relates to nutrition and hydration services;

(IV) how to respond to a choking emergency and alert licensed staff to other health emergencies;

(V) universal precautions for the prevention of the spread of communicable diseases; and

(VI) a statement of residents’ rights.

(4) COVERED TASK.—

(A) IN GENERAL.—The term “covered task” means feeding and hydration.

(B) EXCLUSIONS.—Such term does not include—

(i) administering medication, 

(ii) providing direct medical care, including taking vital signs, skin care, or wound care, or

(iii) performing range of motion or other therapeutic exercises with residents.

(5) NURSE AIDE TRAINING REQUIREMENTS.—

The term “nurse aide training requirements” means the requirements of sections 1819(b)(5)(F) and 1919(b)(5)(F) of the Social Security Act (42 U.S.C. 1395i–3(b)(5)(F) and 1396r(b)(5)(F) relating to nurse aides.

(6) ONSITE SUPERVISION.—The term “onsite supervision” means that a licensed health professional (as defined in paragraph (5)(F)) who is present in the unit or floor where the covered task is performed and who is responsible for providing assistance to the resident assistant.

(7) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

SPONSORSHIP PROJECT.—The term “sponsorship project” means the demonstration project conducted under this section.

(8) STATE.—The term “State” has the meaning given such term for purposes of titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq.).

SEC. 3. AUTHORIZING THE USE OF RESIDENT ASSISTANTS IN NURSING FACILITIES RECEIVING PAYMENTS UNDER THE MEDICARE OR MEDICAID PROGRAM.

(a) IN GENERAL.—Subsection (b) of sections 1819 and 1919 (42 U.S.C. 1395i–3, 1396r) of the Social Security Act, as amended by section 941 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, are each amended by adding at the end the following new paragraph:

“(9) USE OF RESIDENT ASSISTANTS.—

(9)(A) IN GENERAL.—Subject to the succeeding provisions of this paragraph, a skilled nursing facility may use a resident assistant to perform a covered task for a resident of the facility that would otherwise be performed by a nurse aide.

(B) DEFINITION.—The term ‘resident assistant’ means an individual—

(i) who has successfully completed an initial or subsequent competency evaluation, and subsequent competency evaluations, approved by the State under subsection (e)(6); and

(ii) who is competent to perform a covered task.

(C) REQUIREMENT FOR ONSITE SUPERVISION.—A resident assistant may only perform a covered task under the supervision of a licensed health professional (as defined in paragraph (5)(F)) who is present in the unit or floor where the covered task is performed and who is responsible for providing assistance to the resident assistant.

(D) REQUIREMENT FOR DETERMINATION OF APPROPRIATE PATIENTS.—A resident assistant may only perform a covered task for a resident who is approved for such purpose based on the needs of, and potential risks to, the resident, as observed and documented in the resident’s written plan of care and the comprehensive assessment of the resident’s functional capacity required under this subsection.

(E) ADDITIONAL REQUIREMENTS.—The individual complies with any other limitations on performance of duties which may be established by the Secretary in which the covered task is performed.

(F) MINIMUM STAFFING REQUIREMENTS NOT AFFECTED.—A resident assistant shall not be counted toward meeting or complying with any requirement for nursing care staff and functions of such facilities under this section, including any minimum nursing staffing requirement.

(G) COVERED TASK DEFINED.—For purposes of this section, the term ‘covered task’ means feeding and hydration.

(b) SPECIFICATION OF TRAINING PROGRAM AND COMPETENCY EVALUATION STANDARDS.—

(1) REQUIREMENT FOR STANDARDS.—Subsection (e) of such sections are each amended by adding at the end the following new paragraph:

“(6) SPECIFICATION AND REVIEW OF RESIDENT ASSISTANT TRAINING PROGRAMS AND COMPETENCY EVALUATION AND OF RESIDENT ASSISTANT COMPETENCY EVALUATIONS.—The State must—

(A) specify those initial training programs and competency evaluations, and those subsequent competency evaluations, that the State approves for purposes of subsection (b)(5)(F) of such sections as the requirements established under subsection (f)(8), and

(B) provide for the review and reappraisal of such evaluations, at a frequency and using a methodology consistent with the requirements established under subsection (f)(8).”.

(2) SPECIFICATION OF STANDARDS.—Subsection (f) of such sections are each amended by adding at the end the following new paragraph:

“(6) REQUIREMENTS FOR RESIDENT ASSISTANT TRAINING PROGRAMS AND COMPETENCY EVALUATIONS AND FOR RESIDENT ASSISTANT COMPETENCY EVALUATIONS.—

(A) IN GENERAL.—For purposes of subsections (b)(9) and (e)(6), the Secretary shall establish requirements for the approval of resident assistant training programs and competencies evaluated administered by the facility, including—

(i) requirements described in subparagraph (B),

(ii) minimum hours of initial and ongoing training and retraining,

(iii) qualifications of instructors,

(iv) procedures for determination of competency, and

(v) the minimum frequency and methodology to be used by a State in reviewing compliance with the requirements for such resident assistant training programs and competencies.

(B) REQUIREMENTS DESCRIBED.—For purposes of subparagraph (A), the requirements described in this subparagraph are the following:

(i) Feeding skills and assistance with eating.

(ii) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

(iii) An overview of the aging and disease process, as it relates to nutrition and hydration services.

(iv) How to respond to a choking emergency and alert licensed staff to other health emergencies.

(v) Universal precautions for the prevention of the spread of communicable diseases.

(vi) Residents’ rights.

(C) SPECIAL RULE FOR STATE DEMONSTRATION PARTICIPANTS.—In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 2 of the Medicare and Medicaid Nursing Services Quality Improvement Act of 2001), to the extent that the demonstration State has in effect any requirement for the approval of resident assistant training programs or competencies that meets or exceeds the same requirement that the Secretary establishes under this paragraph, notwithstanding subsection (b)(9)(B)(1), resident assistants who performed the covered task in facilities in that State under that demonstration project—

(i) do not have to complete the entire initial training program and competency evaluation required under that subsection; and

(ii) shall only be required to meet those requirements for such approval that the Secretary establishes under this paragraph.

(D) CONTINGENT EFFECTIVE DATE.—(1) The amendments made by this section shall become effective if (1) at all in accordance with paragraph (2).

(2)(A) Not later than December 1, 2004, the Secretary shall submit a report to the Senate Committee on the Judiciary and the Committee on the Appropriations of the Congress that analyzes the results of the demonstration project established under section 2 of the Medicare and Medicaid Nursing Services Quality Improvement Act of 2001, and the extent to which the demonstration project demonstrates, to the satisfaction of the Secretary, the quality of feeding and hydration services furnished to residents of those facilities; or

(B) if such a demonstration project is not established, the Secretary shall submit a report to the Senate Committee on the Judiciary that analyzes the results of the demonstration project established under section 2 of the Medicare and Medicaid Nursing Services Quality Improvement Act of 2001, and the extent to which the demonstration project establishes that the quality of feeding and hydration services furnished to residents of those facilities diminishes the quality of feeding and hydration services to residents in skilled nursing facilities and care and rehabilitation facilities and reduced salaries for such nursing staff is directly attributable to the use of such resident assistants to furnish such services.

By Mr. DEWINE:

S. 733. A bill to eliminate the duplicative intent requirement for carjacking; to the Committee on the Judiciary.

Mr. DEWINE. 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. 733
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CARCASSING OFFENSES.

Section 2119 of title 18, United States Code, is amended by striking "", with the intent to cause death or serious bodily harm"".

By Mr. BOND (for himself and Mr. KERRY):

S. 734. A bill to amend the Foreign Service Buildings Act, 1926, to expand eligibility for the award of construction contracts under that Act to persons that have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Foreign Relations.

Mr. BOND. Mr. President, today I am introducing a bill to improve access for certain small businesses in competing for overseas construction contracts for the Department of State. Small businesses that have been able to participate in smaller construction projects overseas, through one of the small business programs, would be able to compete for larger construction contracts.

The effect of these changes is to enhance competition for these contracts. Moreover, greater competition usually means reduced costs to the taxpayer. Finally, these changes allow us to recoup the benefits from the Government programs directed at small business.

We ensure that, after helping businesses grow and develop in our small business programs, they are then able to compete in the open market for Government construction contracts.

This is the goal of these small business programs, but unfortunately a technical glitch currently prevents this goal from being realized in overseas State Department construction contracts. This bill would correct that.

Specifically, these provisions would make a minor change to both the Foreign Service Buildings Act, 1926, and the Omnibus Diplomatic Security and Antiterrorism Act of 1986, both of which impose related restrictions on the firms that may do construction of overseas State Department facilities.

Most of the restrictions are security-related and have to do with ensuring the firms are American in their ownership, control, and workforce. Some other provisions seek to ensure they have the technical capacity actually to perform the work.

One provision directed at the "technical capacity" issue says the firms must have the "technical capacity" comparable to the work they are seeking, in the United States. The legislative history makes clear that this particular restriction is in the law solely as an issue of past performance, not as a security matter. Since these measures passed, a small number of firms participating in small business programs have done work exclusively overseas, including work on State Department diplomatic and consular establishments. They therefore have a demonstrated past performance ability to do the work, but the two laws above currently exclude them from doing so in State Department contracts over $5 million. (They were previously able to participate because the sole source contracts under a couple of small business programs are limited to $3 million, so the restrictions in these two laws did not come into play.)

The bottom line here is that we have small business programs intended to give firms the opportunity to show what they can do and to help expand the Government's vendor base. However, once these firms move beyond the small business program or seek to compete for larger contracts, we have these two laws that exclude firms who have demonstrated the ability to do overseas construction, simply because they have not done work domestically. This is a waste of the Government's investment in their business development. This bill would allow overseas work done specifically at State Department installations to count in showing their capacity to perform subsequent contracts.

This is a relatively simple change that will increase opportunity and help the State Department maintain a strong contractor base to do this important construction work. It should be noncontroversial, and I look forward to working with the Chairman and Ranking Member of the Foreign Relations Committee to make these changes.

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. 735
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANSION OF ELIGIBILITY FOR AWARD OF CERTAIN CONSTRUCTION CONTRACTS.

(a) In General. Section 11(b)(4)(A) of the Foreign Service Buildings Act, 1926 (22 U.S.C. 302(b)(4)(A)) is amended by inserting "or at a United States diplomatic or consular establishment abroad" after "United States".

(b) Conforming Amendment. Section 402(c)(2)(D) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4852(c)(2)(D)) is amended by inserting "or at a United States diplomatic or consular establishment abroad" after "United States".

By Mr. Dewine:

S. 735. A bill to amend title 18 of the United States Code to add a general provision for criminal attempt; to the Committee on the Judiciary.

Mr. DIEWINE. 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. 735
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 "General Attempt Provision Act".

SEC. 2. ESTABLISHMENT OF GENERAL ATTEMPT OFFENSE.

Chapter 19 of title 18, United States Code, is amended—

(1) in the chapter heading, by striking "Conspiracy" and inserting "Inchoate offenses"; and

(2) by adding at the end following:

"§ 374. Attempt to commit offense

(a) In General. Whoever, acting with the intent to commit a crime of mind or act, attempts to communicate, directly or indirectly, and by any means, to an attorney or government official, or to an attorney or government official acting on behalf of a client, the fact that an offense has been committed or is intended to be committed, or any request, or any evidence or incriminating or identifying information related to an offense, shall be guilty of an attempt and shall be punished as provided in subsection (b) or (c).

(b) Punishment. Whoever attempts to commit an offense described in this section shall be punished as provided in subsection (c).

(c) Special Informs. If an attempt to commit an offense described in this section is communicated to a government official, it shall be a defense for the defendant that the attempt was communicated to the government official for purposes of an arrangement to pursue the investigation of the offense.

SEC. 3. RATIONALIZATION OF CONSPIRACY PENALTY AND CREATION OF REENCUMBERMENT DECREE.

Section 371 of title 18, United States Code, is amended...
CONGRESSIONAL RECORD—SENATE

5919

April 6, 2001

S. 737. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the "Joseph E. Dini, Jr. Post Office"; to the Committee on Governmental Affairs.

Mr. REID. Mr. President, I rise today along with members of the Nevada delegation in the House of Representatives, to introduce legislation designating the United States Post Office facility located at 811 Main Street in Yerington, NV, as the "Joseph E. Dini, Jr. Post Office." When the Nevada State Legislature opened its 71st session earlier this year, something was very different. For the first time in more than sixteen years, Joe Dini was not the Speaker of the Assembly. For an unparalleled eight times, Joe Dini was elected Speaker by his peers in the Nevada State Assembly. Now the Speaker Emeritus, Joe Dini is in his eighteenth active in a number of community service organizations in Yerington and throughout Nevada. He is a member of the Yerington Ro-

tary Club and the Yerington Volunteer Fire Department, and has been recognized by a variety of groups such as the Nevada State Firefighters Association, the Nevada Wildlife Federation, the Nevada State Education Association and the Nevada Judges Association. The Kiwanis Club in Yerington has also recognized Joe Dini as its Man of the Year.

It is a pleasure and honor to join my colleagues from Nevada in introducing this bill naming the post office on Main Street in his beloved hometown of Yerington, Nevada, after Joseph E. Dini, Jr. By recognizing his dedication to a career in public service, we are also thanking Joe for a life-long commitment to the people and the State of Nevada.

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. 737

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

SECTION 1. JOSEPH E. DINI, JR. POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, shall be known and designated as the "Joseph E. Dini, Jr. Post Office".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Joseph E. Dini, Jr. Post Office.

Mr. ENSIGN. Mr. President, I rise today in order to join my colleague Mr. REID and other members of the Nevada Delegation in introducing a bill to designate the U.S. Post Office facility located at 811 Main Street in Yerington, Nevada, as the "Joseph E. Dini, Jr. Post Office."

Joseph Deni was born and raised in Yerington, Nevada. His family has a long history of public service in Yerington and throughout Nevada. Joe Dini was born and raised in the small town of Yerington, NV. Many of my colleagues in the Senate have heard me talk about my hometown of Searchlight at the southern tip of the State of Nevada. As much as I love Searchlight, Joe Dini adores his beloved hometown at Yerington. A native Nevada, Joe attended the University of Nevada in Reno and was first elected to the Nevada State Assembly in 1966. As a freshman elected to the Assembly in 1969, I had the pleasure to work with Joe Dini, and I looked to him as a mentor and a friend. In 1973, he became Speaker pro tempore of the Chamber, and in 1975 he was elected majority leader. During his tenure, Joe became the leading authority in the legislature on western water issues, a subject that is vitally important to our state, especially in the many rural communities throughout Nevada.

Joe is also an active participant with many community service organizations in Yerington and throughout Nevada. He is a member of the Yerington Ro-

ary Club and the Yerington Volunteer Fire Department, and has been recognized by a variety of groups such as the Nevada State Firefighters Association, the Nevada Wildlife Federation, the Nevada State Education Association and the Nevada Judges Association. The Kiwanis Club in Yerington has also recognized Joe Dini as its Man of the Year.

It is a pleasure and honor to join my colleagues from Nevada in introducing this bill naming the post office on Main Street in his beloved hometown of Yerington, Nevada, after Joseph E. Dini, Jr. By recognizing his dedication to a career in public service, we are also thanking Joe for a life-long commitment to the people and the State of Nevada.

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. 737

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

SECTION 1. JOSEPH E. DINI, JR. POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, shall be known and designated as the "Joseph E. Dini, Jr. Post Office.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Joseph E. Dini, Jr. Post Office.

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ary Club and the Yerington Volunteer Fire Department, and has been recognized by a variety of groups such as the Nevada State Firefighters Association, the Nevada Wildlife Federation, the Nevada State Education Association and the Nevada Judges Association. The Kiwanis Club in Yerington has also recognized Joe Dini as its Man of the Year.

It is a pleasure and honor to join my colleagues from Nevada in introducing this bill naming the post office on Main Street in his beloved hometown of Yerington, Nevada, after Joseph E. Dini, Jr. By recognizing his dedication to a career in public service, we are also thanking Joe for a life-long commitment to the people and the State of Nevada.

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. 737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
discrimination against military voters stationed overseas.

It was disappointing to our military men and women the events in Florida last fall. 1,500 overseas ballots were thrown out by Florida election officials initially—1,500 ballots were challenged—that is disturbing.

Brass members of our armed forces spokes out in favor of having their vote counted. In Tallahassee, FL, in November of 2000, Robert Ingram, who was awarded a medal for heroism as a Navy corpsman serving with the Marines in Vietnam, said about Florida elections boards, “They need to count the votes for service people abroad.” It truly is an outrage that the state of Florida allowed military ballots to be disqualified.

Morale is traditionally low for our servicemen and women stationed overseas during the Christmas season. Gary Littrell a Medal of Honor winner said, “Can you imagine how low their moral will go when they think they didn’t count?” According to the Miami Herald of November 26, 2000, “Many canvassing boards have said, however they followed state law to the letter in disqualifying overseas ballots with no signature, no witness, incorrect address, no postmark or date and a variety of other problems.”

Note that the Miami Herald does not cite actual fraud to disqualify 1,500 votes, mere technicalities in state law. My bill will fix this problem and not allow a ballot to be disqualified without “evidence of fraud.”

There were allegations that the Democrat party had a coordinated effort to disenfranchise our military voters.

Former Montana Governor Mark Racicot said last fall, “In an effort to win at any cost, the vice president’s lawyers launched a statewide effort to throw out as many military ballots as they could.” 40 percent of the 3,500 overseas ballots in Florida were thrown out in November of 2000 for technical reasons—that is 40 percent too much.

According to the Miami Herald, 39 felons illegally cast absentee ballots in Broward and Miami Dade counties during the election, yet 1,500 military men and women had their votes challenged. These felons convictions ranged from murder to rape and drunk driving. What crime did our military personnel commit? Is it a crime for the members of the military who chose to vote Republican? Is it a crime to volunteer to serve in the military? I guess every vote must count except for our military votes.

Military ballots in Florida were disqualified for two reasons—the requirement that ballots must be postmarked by election day and failure to either have a proper signature or date on the actual ballot. Neither of these issues are currently addressed in the federal law. Federal law leaves such details to the state, such as postmark requirements and authentication of ballots.

I have a bill to amend the Voting Rights Act of 1965 to include members of the armed forces who were targeted as a result of their propensity to vote for Republicans.

My bill establishes voting rights for members of the armed forces to insure that every military vote is counted. My bill makes it a violation of the Voting Rights Act of 1965 for any person “to disqualify, refuse to count, or otherwise negate the absentee or overseas vote of a member of the Armed Forces of the United States.”

A person could not disqualify a ballot because of “circumstances beyond the control of the serviceman,” this definition includes a post mark that may not be present on a military person’s ballot. The military frequently mail without postage and there is no necessity for a post mark on military mail, therefore there is no evidence on the face of an envelope to prove when a letter, or ballot in this case, is mailed.

My bill further forbids the disqualification of any ballot without “clear and convincing evidence of fraud in the preparation or casting of the ballot by the voter” deadlines for returning ballots vary by state.

If you violate or conspire to violate the Armed Forces Voting Rights Act of 2001, then you are treated similarly to individuals who violate the Voting Rights Act of 1965—you are subject to fines and other criminal penalties. My bill also empowers the Attorney General to make rules consistent with this legislation.

I ask that voting rights be restored to our military voters—it is the least that we can do for those who put their lives on the line so we may live free, to allow our military men and women to have every vote counted.

By Mr. WELSTONE (for himself, Mrs. MURRAY, Mr. DAYTON, Ms. STABENOW, Mr. DORGAN, Mr. KENNEDY, Mr. DURBIN, Ms. LANDRIEU, Mr. DASCHLE, Mr. REID, and Mr. JOHNSON):

S. 739. 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.

Mr. WELSTONE, Mr. President, I rise today to introduce the “Heather French Henry Homeless Veterans Assistance Act.” It is a companion bill to H.R. 936, introduced in the House of Representatives by Representative EVANS. I am pleased to have the support of the following original cosponsors: Senators MURRAY, DAYTON, STABENOW, DORGAN, KENNEDY, DURBIN, LANDRIEU, DASCHLE, REID, and JOHN-SON.

The legislation is named to recognize and honor the outstanding contributions of Heather French Henry, Miss America 2000. She has helped lead the struggle to end homelessness affecting more than 300,000 of our nation’s veterans. For more than a year, she has given her time, talents and energy to help those who have served our country from homelessness. She has traveled from coast-to-coast with the message that we as a nation are duty-bound to assist homeless veterans again to become productive and contributing members of society.

I recently met Ms. French Henry. I appreciate her work, as well as her support for this bill. She has called it, “a comprehensive package of proposals that will lead to ending homelessness among our nation’s veterans so that they can once again be proud citizens.”

The bill establishes a national goal of ending homelessness among veterans within a decade. We can and must meet this goal, but achieving it will not be easy. According to the “Independent Budget” for Fiscal Year 2002, more than 275,000 veterans are homeless on any given night. The Independent Budget is a highly regarded analysis issued by four respected veterans organizations, AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars. The Independent Budget also found that, “one out of three homeless men . . . sleeping in a doorway, alley or box in our cities and rural communities has put on a uniform and served our nation.” Finally, it stressed that two-thirds of homeless veterans served our nation for at least three years. The vast majority of homeless veterans fully honored their oath to defend and protect the United States. Unfortunately, we haven’t fully honored our obligation to rescue them from the degradation and privations of life on the streets.

The causes of homelessness are complex. But the primary reason so many veterans are homeless is simple. We have not done enough. Since 1987, the VA has run some worthwhile and effective programs for homeless veterans, but they are too few, and they are too poorly funded. In FY 2000, the VA spent about $150 million for homeless programs, just $1.31 per homeless veteran per day. According to the Independent Budget, federal funding for homeless veterans serves just one in 10 of those in need.

The VA has reported that there were about 345,000 homeless veterans during 1999. That is 34 percent higher than in 1998, a national scandal during a time of prosperity. If we fail to pass this bill, imagine how many more homeless veterans will be sleeping in doorways, in boxes and on grates in the cold? Who will care for these veterans if we have a prolonged economic downturn?

My bill establishes voting rights for members of the armed forces to insure that every military vote is counted. My bill makes it a violation of the Voting Rights Act of 1965 for any person “to disqualify, refuse to count, or otherwise negate the absentee or overseas vote of a member of the Armed Forces of the United States.”
worth. Second, ending veterans homelessness is first and foremost a moral issue. What kind of nation can fail to use the full arsenal of programs and tools available to end pain and suffering among men and women who have served so much and so well? Finally, homelessness among veterans is often tied to those veterans’ military service. It is frequently no less service-connected than the loss of limb in battle. Post-Traumatic Stress Disorder, PTSD, can afflict any combat veteran. It not only can cause severe mental health problems, but is also linked to job loss, family breakdown, substance abuse and, of course, homelessness.

The VA can’t solve the problem of homelessness among veterans by itself. That is why the bill creates a coordinated and only wattle effort among the VA and other federal, state and local agencies, as well as by community-based organizations.

The legislation includes both proven programs and innovations. It expands programs that support records in assisting homeless veterans. It will increase to $50 million the annual authorization for the Department of Labor’s Homeless Veterans Reintegration Project (HVRP). This funds state or local governments, as well as nonprofit organizations, which run highly effective job training and placement programs. It is an exceptional program that has gone underfunded for years. In FY 1999, HVRP placed almost 2,200 homeless veterans in jobs, with an average cost per placement of only about $1,300.

Mental health professionals agree that placement in the community can work, but only with careful monitoring and support of vulnerable populations. The bill therefore also creates incentives for VA to make such services, Mental Health Community Management programs, more widely available. Supportive, therapeutic housing is an essential component of a homeless veteran’s recovery from substance abuse. “Safe havens” provide an environment that facilitates the transition from homelessness. Under the bill, many more veterans could receive intensive medical and psychological treatment, as well as rehabilitation, in such residential settings.

More VA Comprehensive Homeless Centers can be made available in the country’s major metropolitan areas. These unique centers provide a continuum of care that includes outreach, medical care, compensated work therapy, job counseling and other social services. Veteran centers can gain access to VA services, but also to services provided by other federal agencies, state and local government entities, and community-based organizations. The centers provide badly needed “jump-starting” for services to homeless veterans.

The legislation will increase availability of residential treatment facilities by requiring the VA to develop new domiciliary programs in the 10 largest metropolitan areas without existing programs. At the same time, it will remove the cap on VA Comprehensive Homeless Centers. Today there are only eight, and the bill will require that centers be available in no fewer than 20 metropolitan areas. Veterans in Washington, D.C., for example, currently have neither a VA domiciliary nor a Comprehensive Homeless Center. Both such facilities are needed here in the Nation’s Capital.

Community-based organizations play a pivotal role in addressing veterans’ homelessness. The bill authorizes additional funding for their work through the VA’s Homeless Grant and Per Diem Providers program. That program provides critical support to community-based organizations to transition services to homeless veterans through grants that supplement local, state and private funding.

The bill also requires that the VA provide mental health services wherever it provides primary care. Approximately 45 percent of homeless veterans suffer from mental illness. More than 70 percent suffer from alcohol or other substance abuse problems. It is vital that VA expand access to mental health services.

Finally, the bill seeks to help some of the most vulnerable homeless veterans and those most at risk of homelessness. Under the bill, VA and community-based providers will be eligible for a new grant program that addresses the special needs of homeless veterans who are women, substance abusers, 50 years of age or older, persons with PTSD, terminally ill, chronically mentally ill or who have dependents. It will require VA to coordinate a multi-agency outreach plan and services for veterans at risk of homelessness, particularly veterans being discharged from institutions. This includes people discharged from inpatient psychiatric care, substance abuse treatment programs and penal institutions.

It is a familiar principle among veterans of our armed forces not to “leave our wounded behind.” Yet, homeless veterans are in a sense our wounded, and we are leaving them behind. It is past time to end this neglect.

The bill is supported by the country’s major veterans organizations. It is endorsed by the National Coalition for Homeless Veterans and its hundreds of affiliated programs throughout the country who daily furnish essential services to homeless veterans. I ask consent that letters of support from the Paralyzed Veterans of America, the Veterans of Foreign Wars, the Disabled American Veterans, and the National Coalition for Homeless Veterans be printed in the RECORD.

Mr. President, I also 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:

SEC. 1. Short title; table of contents.

(a) Short title. This Act may be cited as the “Heather French Henry Homeless Veterans Assistance Act”.

(b) Table of contents. The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings; definitions.
Sec. 3. National goal to end homelessness among veterans.
Sec. 4. Advisory Committee on Homeless Veterans.
Sec. 5. Annual meeting requirement for Interagency Council on the Homeless.
Sec. 6. Evaluation of homeless programs.
Sec. 7. Changes in veterans equitable resource allocation policy.
Sec. 8. Per diem payments for furnishing services to homeless veterans.
Sec. 9. Grant program for homeless veterans and their families.
Sec. 10. Coordination of outreach services for veterans at risk of homelessness.
Sec. 11. Treatment trials in integrated mental health services delivery.
Sec. 12. Dental care.
Sec. 13. Programmatic expansions.
Sec. 15. Life safety code for grant and per diem providers.
Sec. 16. Transitional assistance grants pilot program.
Sec. 17. Assistance for grant applications.
Sec. 18. Home loan program for manufactured housing.
Sec. 19. Extension of homeless veterans reintegration program.
Sec. 20. Use of real property.

SEC. 2. FINDINGS; DEFINITIONS.

(a) Findings. Congress makes the following findings:

(1) On the field of battle, the members of the Armed Forces who defend the Nation are honor-bound to leave no one behind and, likewise, the Nation is honor-bound to leave no veteran behind.

(2) The Department of Veterans Affairs report known as the Community Homeless Assessment, Local Education, and Networking Groups for Veterans (CHALENG) assessment, issued in May 2000, reports that during 1999 there were an estimated 344,863 homeless veterans, an increase of 34 percent above the 1998 estimate of 256,872 homeless veterans.

(3) Male veterans are more likely to be homeless than their nonveteran peers. Although veterans constitute only 13 percent of the general male population, 23 percent of the homeless male population are veterans.

(4) Homelessness among very veterans is persistent despite unprecedented economic growth and job creation and general prosperity.

(5) While there are many effective programs that assist homeless veterans to again become productive and self-sufficient members of society, current resources provided to such programs and other programs that assist homeless veterans are inadequate to provide all needed essential services, assistance, and support to homeless veterans.

(6) If current programs to assist homeless veterans are fully maintained but not expanded, veterans will experience as many as...
a billion nights of homelessness during the next decade.

(7) The CHALENG assessment referred to in paragraph (2) reports—

(A) that Department of Veterans Affairs and other Federal agencies for establishing almost 500 beds for homeless veterans during 2000, including emergency, transitional, and permanent beds; and

(B) that there is a need for about 45,724 additional beds to meet current needs of homeless veterans.

(8) As of February 28, 2001, the Congressional Budget Office forecasts a Federal budget surplus of $333,000,000,000 for fiscal year 2001 and budget surpluses totaling more than $5,610,000,000,000 over the next 10 years. (B) that there is a need for about 45,724 additional beds to meet current needs of homeless veterans.

(9) At least $750,000,000 will be required to establish the 45,724 additional new beds now needed by homeless veterans, according to an informal Department of Veterans Affairs cost estimate.

(10) Even if the Department of Veterans Affairs and its partners created 2,000 additional beds per year for one more year, it would still take more than two decades to provide the needed beds to meet the current needs of homeless veterans.

(11) Nearly four decades ago, the Nation established a goal of sending a man to the moon and returning him safely to earth within a decade and accomplished that goal, and the Nation can do no less to end homelessness among the Nation’s veterans.

(b) DEFINITIONS.—For purposes of this Act:

(1) The term “homeless veteran” means a veteran who—

(a) lacks a fixed, regular, and adequate nighttime residence; or

(b) has a primary nighttime residence that is—

(i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, grant per diem shelters and transitional housing for the mentally ill);

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized;

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) The term “grant and per diem provider” means an entity in receipt of a grant under section 3 or 4 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 722a).

SEC. 3. NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.

(a) NATIONAL GOAL.—Congress hereby declares it to be a national goal to end homelessness among veterans within a decade.

(b) COOPERATIVE EFFORTS ENCOURAGED.—Congressional committees and agencies of Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, and individuals work cooperatively to end homelessness among veterans within a decade.

SEC. 4. ADVISORY COMMITTEE ON HOMELESS VETERANS.

(a) IN GENERAL.—Chapter 5 of title 38, United States Code, and this section are amended by adding at the end the following new section:

§546. Advisory Committee on Homeless Veterans

(a)(1) There is established in the Department of Veterans Affairs an Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the “Committee”).

(2) The Committee shall consist of not more than the following:

(A) Experts in the treatment of individuals to work cooperatively to end homelessness among veterans within a decade.

(B) Advocates of homeless veterans and other homeless individuals.

(C) Community-based providers of services to homeless individuals.

(D) Previously homeless veterans.

(E) State veterans affairs officials.

(F) Experts in the treatment of individuals with mental illness.

(G) Experts in the treatment of substance use disorder.

(H) Experts in the development of permanent housing alternatives for lower income populations.

(I) Experts in vocational rehabilitation.

(J) Such other organizations or groups as the Secretary considers appropriate.

(b) The Committee shall include, as ex officio members—

(A) the Secretary of Labor (or a representative of the Secretary);

(B) the Secretary of Defense (or a representative of the Secretary);

(C) the Secretary of Health and Human Services (or a representative of the Secretary);

(D) the Secretary of Housing and Urban Development (or a representative of the Secretary).

(3) The Committee shall—

(A) assemble and review information relating to the needs of homeless veterans;

(B) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting homeless veterans.

(c) The Committee shall—

(A) review the continuum of services provided by the Department directly or by contract in order to define cross-cutting issues and to improve coordination of all services in the Department that address the special needs of homeless veterans;

(B) identify (through the annual assessment under section 1774 of this title and other available resources) gaps in programs of the Department in serving homeless veterans, including identification of geographic areas with unmet needs, and provide recommendations to address those program gaps;

(C) identify gaps in existing information systems on homeless veterans, both within and outside the Department, and provide recommendations about redressing problems in data collection.

(D) identify barriers under existing laws and policies to effective coordination by the Department with other Federal agencies and with State and local agencies addressing homelessness among homeless veterans.

(E) identify opportunities for enhanced liaison by the Department with nongovernmental organizations and individual groups addressing homelessness.

(F) with appropriate officials of the Department designated by the Secretary, participate with the Interagency Council on the Homeless under title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.);

(G) recommend appropriate funding levels for authorized programs for homeless veterans provided or funded by the Department;

(H) recommend appropriate placement options for veterans who, because of advanced age, frailty, or severe mental illness, may not be appropriate candidates for vocational rehabilitation or independent living; and

(I) perform such other functions as the Secretary may direct.

(c)(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to homeless veterans. Each such report shall include—

(a) an assessment of the needs of homeless veterans;

(b) a review of the programs and activities of the Department designed to meet such needs;

(c) a review of the activities of the Committee; and

(d) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

(4) The Secretary shall submit with each annual report submitted to Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report. The Secretary shall transmit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a copy of each such report submitted under this section.

(d)(1) Except as provided in paragraph (2), the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Committee under this section.

(2) Section 14 of such Act shall not apply to the Committee.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“§546. Advisory Committee on Homeless Veterans.”.

SEC. 5. MEETINGS OF INTERAGENCY COUNCIL ON THE HOMELESS.

Section 202(c) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11312(c)) is amended to read as follows:

“C. Members.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.

(a) EVALUATION CENTERS.—The Secretary of Veterans Affairs shall support the continuation within the Department of Veterans Affairs of at least one center for evaluation of the activities of the Committee, and the outcome of programs of the Department of Veterans Affairs that address homeless veterans.

(2) MEETINGS OF INTERAGENCY COUNCIL ON THE HOMELESS.
(b) ANNUAL REPORT ON HEALTH CARE.—The Secretary shall submit on an annual basis a report on programs of the Department of Veterans Affairs addressing health care needs of homeless veterans. The Secretary shall include in each such report the following:

(1) Information about expenditures, costs, and workload under the Department of Veterans Affairs program known as the Health Care for Homeless Veterans program (HCHV).

(2) Information about the veterans contacted through that program.

(3) Information about processes under that program.

(4) Information about program treatment outcomes under that program.

(5) Information about supported housing programs.

(6) Information about the Department’s grant and per diem provider program.

(7) Other information the Secretary considers relevant in assessing the program.

(c) ANNUAL PROGRAM ASSESSMENT.—Section 1717(b) of title 38, United States Code, is amended—

(1) in paragraph (1), by inserting “annual” after “to make an” and

(2) by adding at the end the following new paragraph:

“(6) The Secretary shall review each annual assessment under this subsection, and shall consolidate the findings and conclusions of those assessments into an annual report which the Secretary shall submit to Congress.”

SEC. 7. CHANGES IN VETERANS EQUITABLE RESOURCE ALLOCATION METHODOLOGY.

(a) ALLOCATION CATEGORIES.—The Secretary shall assign veterans receiving the following services to the resource allocation category designated as “complex care” within the Veterans Equitable Resource Allocation system:

(1) Care provided to veterans enrolled in the Department of Veterans Affairs program for Mental Health Intensive Community Case Management.

(2) Continuous care in homeless chronically mentally ill veterans programs.

(3) Continuous care within specialized programs for veterans who have been diagnosed with both serious chronic mental illness and substance use disorders.

(4) Continuous therapy combined with sheltered housing provided to veterans in specialized treatment for substance use disorders.

(5) Specialized therapies provided to veterans with post-traumatic stress disorder (PTSD), including therapies provided by or under the following:

(A) Specialized outpatient PTSD programs.

(B) PTSD clinical teams.

(C) Women veterans stress disorder treatment teams.

(D) Substance abuse disorder PTSD teams.

(b) TREATMENT OF FUNDS FOR NEW PROGRAMS FOR HOMELESS VETERANS.—The Secretary shall ensure that funds for any new program for homeless veterans carried out through this Act shall be allocated through the Veterans Equitable Resource Allocation system.

SEC. 8. PER DIEM PAYMENTS FOR FURNISHING CARE TO HOMELESS VETERANS.

(a) INCREASE IN RATE OF PER DIEM PAYMENTS.—Section 4(a) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by striking “38 U.S.C. 7721” and inserting the following: “at the same rates as the rates authorized for State homes for domiciliary care under section 1741 of title 38, United States Code, for services furnished to homeless veterans—”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 9. GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out a program to make grants to health care facilities of the Department of Veterans Affairs and to grant and per diem providers in order to encourage development by those facilities and providers of programs targeted at meeting special needs within the population of homeless veterans.

(b) HOMELESS VETERANS WITH SPECIAL NEEDS.—For purposes of this section, homeless veterans with special needs include homeless veterans who—

(1) are women;

(2) are 50 years of age or older;

(3) are substance abusers;

(4) are persons with post-traumatic stress disorder;

(5) are terminally ill;

(6) are chronically mentally ill; or

(7) have care of minor dependents or other family members.

(b) STUDY OF OUTCOME EFFECTIVENESS.—The Secretary shall conduct a study of the effectiveness of the grant program in meeting the needs of veterans. As part of the study, the Secretary shall compare the results of programs carried out in the grant program under this section in terms of veterans’ satisfaction, health status, reduction in addiction severity, housing, and encouragement of productive activity with results for similar veterans in programs of the Department or of grant and per diem providers that are designed to meet the general needs of homeless veterans.

(d) FUNDING.—(1) From amounts appropriated to the Department of Veterans Affairs for “Medical Care” for each of fiscal years 2003, 2004, and 2005, $5,000,000 shall be available for purposes of the program under this section.

(2) Grants under this paragraph shall be made to health care facilities of the Department or a grant and per diem provider to be treated in the manner provided in section 7(b).

SEC. 10. COORDINATION OF OUTREACH SERVICES FOR VETERANS AT RISK OF HOMELESSNESS.

(a) OUTREACH PLAN.—The Secretary of Veterans Affairs, acting through the Under Secretary for Health, shall provide appropriate officials of the Mental Health and Substance Abuse Service of the Veterans Health Administration to initiate a coordinated plan for joint outreach to veterans at risk of homelessness, including particularly veterans who are being discharged from institutions (including discharges from inpatient psychiatric care, substance abuse treatment programs, and penal institutions).

(b) MATTERS TO BE INCLUDED.—The plan under subsection (a) shall include the following:

(1) Strategies to identify and collaborate with external entities used by veterans who have not traditionally used Department of Veterans Affairs services to further outreach efforts.

(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are utilized by eligible veterans.

(3) Appropriate programs or referrals to family support programs.

(4) Means to increase access to case management services.

(5) Plans for making additional employment services accessible to veterans.

(6) Appropriate referral sources for mental health and substance abuse services.

(c) COOPERATIVE RELATIONSHIPS.—The plan under subsection (a) shall identify strategies for the Department to enter into formal cooperative relationships with entities outside the Department of Veterans Affairs to facilitate making services and resources optimally available to veterans.

(d) REVIEW OF PLAN.—The Secretary shall submit the plan under subsection (a) to the Advisory Committee on Homeless Veterans for its review and consultation.

(e) SUBMISSION OF REPORT.—Not later than two years after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and the House of Representatives a report on the Secretary’s plan under subsection (a), including goals and timelines for implementation of the plan for particular facilities and networks.

(f) OUTREACH PROGRAM.—(1) The Secretary shall carry out an outreach program to provide information to homeless veterans and veterans at risk of homelessness. The program shall include at a minimum—

(A) provision of information about benefits available to eligible veterans from the Department;

(B) contact information for local Department facilities, including medical facilities, regional offices, and veterans centers;

(C) in developing and carrying out the program under paragraph (1), the Secretary shall, to the extent practicable, consult with appropriate public and private organizations, including the Bureau of Prisons, State social service agencies, the Department of Defense, and mental health, veterans, and homeless advocates;

(D) for assistance in identifying and contacting veterans who are homeless or at risk of homelessness;

(E) to coordinate appropriate outreach activities with those organizations with those organizations;

(F) to coordinate services provided to veterans with services provided by those organizations.

SEC. 11. TREATMENT TRIALS IN INTEGRATED MENTAL HEALTH SERVICES DELIVERY.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out two treatment trials in integrated mental health services delivery. Each such trial shall be carried out at a Department of Veterans Affairs medical center selected by the Secretary for such purpose. The trials shall each be carried out over the same one-year period.

(b) DEFINITION.—For purposes of this section, the term “integrated mental health services delivery” means a coordinated and standardized approach to evaluation between mental health and primary care programs and facilities for enrollment and follow-up of patients who have both mental health disorders (including substance use disorders) and medical conditions.

(c) REQUIREMENT.—In reviewing applications from Department medical centers for selection as a site for a treatment trial under this section, the Secretary shall consider models that—

(1) Standardized criteria for admission and enrollment as participant or control.
not later than two years after the date of the enactment of this Act, the Secretary shall submit to Congress a report setting forth the results of the comparison of integrated mental health programs with treatment outcomes for similar chronically mentally ill veterans who are provided treatment through integrated mental health programs with treatment outcomes for similar chronically mentally ill veterans provided treatment through traditionally consultative relationships.

(c) MANDATORY AUDIT OF RESULTS.—The Department of Veterans Affairs Medical Inspector General shall review medical records of participants and controls for both trials to ensure that results are accurate.

(d) REPORT AND DISSEMINATION OF RESULTS.—Not later than two years after the date of this Act, the Secretary shall submit to Congress a report setting forth the results of the comparison under subsection (e) and such recommendations as the Secretary may have. Based upon the Secretary’s conclusions, the Secretary shall disseminate the best practices for treatment of mentally ill veterans in such manner as the Secretary determines appropriate on a nationwide basis.

(e) COSTS.—The Secretary may use up to $2,000,000 from funds available to the Secretary for Medical Care for costs for each of the treatment trials. Funds identified by the Secretary for the trials shall remain available until expended.

SEC. 12. DENTAL CARE.

(a) IN GENERAL.—For purposes of section 1721(a)(1)(H) of title 38, United States Code, outpatient dental services and treatment of a dental condition or disability of a veteran described in paragraph (1) hereof shall be considered to be medically necessary if—

(1) the dental services and treatment are necessary for the veteran to successfully meet or retain employment; and

(2) the dental services and treatment are necessary to alleviate pain; or

(3) the dental services and treatment are necessary to prevent or alleviate a severe or complicated gingival and periodontal pathology.

(b) ELIGIBLE VETERANS.—Subsection (a) applies to veterans who are—

(1) enrolled for care under section 1705(a) of title 38, United States Code; and

(2) receiving care (directly or by contract) in any of the following settings:

(A) Ancillary care under section 1710 of such title.

(B) A therapeutic residence under section 1772 of such title.

(C) Community residential care coordinated by the Secretary of Veterans Affairs under section 1730 of such title.

(D) Receiving care for which the Secretary provides funds for a grant and per diem provider.

(E) Any program described in section 7 of this Act.

SEC. 13. PROGRAMMATIC EXPANSIONS.

(a) ACCESS TO MENTAL HEALTH SERVICES.—The Secretary of Veterans Affairs shall develop standards to ensure that mental health services are available to veterans in a manner similar to the manner in which primary care is available to veterans who require services by ensuring that each primary care health care facility of the Department has a mental health treatment capacity.

(b) TRANSITIONAL HOUSING.—Effective October 1, 2001, section 1773(b) of title 38, United States Code, is amended to read as follows:

"SEC. 12. FUNDING.

(a) AMOUNTS FOR GRANT AND PER DIEM PROGRAMS.—From amounts appropriated for ‘Medical Care’ for any fiscal year, the Secretary shall expend not less than $55,000,000 (as adjusted for fiscal year under subsection (b)) to carry out the transitional housing grant and per diem provider programs under sections 3 and 4 of this Act.

(b) PERIODIC INCREASES.—The amount in effect under subsection (a) shall be increased for any fiscal year by the overall percentage increase in the Medical Care account for the preceding fiscal year.".

(c) COMPREHENSIVE HOUSING SERVICES PROGRAM.—(1) The Secretary shall provide for the establishment of centers for the provision of comprehensive services to homeless veterans under section 1773(b) of title 38, United States Code, in at least each of the 20 largest metropolitan areas.

(2) Section 1773(b) of title 38, United States Code, is amended by striking ‘‘not fewer than eight’’.

(d) OPIOID SUBSTITUTION THERAPY.—The Secretary shall ensure that opioid substitution therapy is available at each Department of Veterans Affairs medical center.

(e) PROGRAM EXPANSION EXTENSION.—Sections 1711(b) and 1713(d) of title 38, United States Code, are amended by striking ‘‘December 31, 2001’’ and inserting ‘‘December 31, 2006’’.

SEC. 14. VARIOUS AUTHORITIES.

(a) EMPLOYMENT PROGRAMS.—The Secretary of Veterans Affairs may authorize homeless veterans receiving care through vocational rehabilitation programs to participate in the compensated work therapy program.

(b) SUPPORTED HOUSING FOR VETERANS PARTICIPATING IN COMPENSATED WORK THERAPIES.—The Secretary may authorize homeless veterans in the compensated work therapy program to receive housing through the therapeutic residence program under section 1772 of title 38, United States Code, or through grant and per diem providers.

(c) STAFFING REQUIREMENT.—The Secretary shall ensure that there is assigned at each Veterans Benefits Administration regional office at least one employee assigned specifically to coordinate homeless veterans programs in that region, including the housing program for veterans supported by the Department of Housing and Urban Development, housing programs supported by the Department of Labor, and the homeless veterans reintegration program of the Department of Labor, the assessments required by section 1774 of title 38, United States Code, Comprehensive Homeless Centers, and such other duties relating to homeless veterans as may be assigned. In any such office with at least 10 employees, there shall be at least one full-time employee assigned to such functions.

(d) COORDINATION OF EMPLOYMENT SERVICES.—(1) Section 410A(c) of title 38, United States Code, is amended by adding at the end the following new paragraph:

"(11) Coordination of services provided to veterans with training assistance provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448) ."

SEC. 15. LIFE SAFETY CODE FOR GRANT AND PER DIEM PROGRAMS.

(a) NEW GRANTS.—Section 3(b)(5) of the Homeless Veterans Comprehensive Services Program Act of 1992 (38 U.S.C. 7721 note) is amended to read as follows:

"SEC. 12. FUNDING.

(a) AMOUNTS FOR GRANT AND PER DIEM PROGRAMS.—From amounts appropriated for ‘Medical Care’ for any fiscal year, the Secretary shall expend not less than $55,000,000 (as adjusted for fiscal year under subsection (b)) to carry out the transitional housing grant and per diem provider programs under sections 3 and 4 of this Act.

(b) PERIODIC INCREASES.—The amount in effect under subsection (a) shall be increased for any fiscal year by the overall percentage increase in the Medical Care account for the preceding fiscal year.”.

(b) PREVIOUS GRANTS.—Section 4 of such Act is amended by adding at the end the following new subsection:

"(e) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment (or in-kind assistance in lieu of per diem payments) may not be provided under this section to a grant recipient unless the facilities of the grant recipient meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

(2) During the five-year period beginning on the date of the enactment of the Heather French Henry Homeless Veterans Assistance Act, paragraph (1) shall not apply to an entity that received a grant under section 3 before that date if the entity meets fire and safety requirements established by the Secretary."

products of the 2001 Congress

SEC. 16. TRANSITIONAL ASSISTANCE GRANTS PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Veterans Affairs shall carry out a three-year pilot program of transitional assistance grants to eligible homeless veterans. The pilot program shall be established...
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SECTION 17. ASSISTANCE FOR GRANT APPLICATIONS.

(a) Grant Program.—The Secretary of Veterans Affairs shall carry out a program to make transitional assistance grants to nonprofit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants under this section.

(b) Funding.—There is authorized to be appropriated to the Secretary of Veterans Affairs under this section for each of fiscal years 2004 through 2006, $750,000 to carry out the program under this section.

SECTION 18. HOME LOAN PROGRAM FOR MANUFACTURED HOUSING.

Section 3712a(a)(1) of title 38, United States Code, is amended by adding at the end the following:

``(E) $50,000,000 for fiscal year 2004.

SEC. 19. EXTENSION OF HOMELESS VETERANS REINTEGRATION PROGRAM.

Section 4111(d)(1) of title 38, United States Code, is amended by striking subparagraphs (C) and (D) and inserting the following:

``(C) $50,000,000 for fiscal year 2002.

(D) $50,000,000 for fiscal year 2003.

(E) $50,000,000 for fiscal year 2004.

(F) $50,000,000 for fiscal year 2005.

(G) $50,000,000 for fiscal year 2006.

SEC. 20. USE OF REAL PROPERTY.

Section 8122(d) of title 38, United States Code, is amended by inserting before the period at the end the following:

``and is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease of such property under section 8162 of this title''.

DISABLED AMERICAN VETERANS,


HON. PAUL D. WESTLONE, U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the more than one million members of the Disabled American Veterans (DAV), I urge you to co-sponsor and actively support the Heather French Henry Homeless Veterans Assistance Act, soon to be introduced by Senator Paul Wellstone (D-MN).

Senator Wellstone's introduction of the "Heather French Henry Homeless Veteran Assistance Act", a companion to the (H.H. 696) bill introduced in the House by Representative Lane Evans (D-IL), is timely because it takes advantage of the unique information provided to your Senator, Ms. Heather French Henry during her travels and visits with veterans and communities, and applies it in the solutions outlined in the bill.

One component of this program will become the platform to address homeless veteran issues in the 107th Congress and we look forward to a continued active relationship with Ms. Henry and Senator Wellstone towards the goal of ending homelessness among our nation's veterans.
Hon. PAUL WELLSTONE, U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the Veterans of Foreign Wars of the United States, I would like to take this opportunity to express our enthusiastic support for the Heather French Henry Homeless Veterans Assistance Act.

With at least 275,000 veterans homeless on any given night, and more than 500,000 veterans homeless at some point during the year, the obvious need for assistance and community-based intervention is of paramount importance. Your bill recognizes the need to expand existing programs, incorporate new partnerships, and provide short-term assistance to the men and women who have served our nation in uniform. I genuinely embrace our shared goal of ending homelessness among our nation’s veterans.

Through your legislative efforts we can work together to remedy this American tragedy.

Thank you for your service to America’s veterans and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

ROBERT E. WALLACE, Executive Director.


HON. PAUL WELLSTONE, U.S. Senate, Washington, DC.

DEAR SENATOR WELLSTONE: On behalf of the members of the Paralyzed Veterans of America (PVA) I am writing to thank you for your support of the many veterans who face the trauma of homelessness. We applaud your planned introduction of the “Heather French Henry Homeless Veterans Assistance Act” to help correct this horrible testament to one of the ongoing ravages of war.

As you are aware, on any given night, an estimated 250,000 homeless veterans sleep in cardboard boxes, in alleys or on subway grates. Many of these individuals suffer from Post-Traumatic Stress Disorder and other illnesses that prevent them from getting and keeping employment, often a precursor to homelessness. We thank former Miss America Heather French Henry for making “help for homeless veterans” her platform and committing herself to insuring these veterans are not forgotten.

Homelessness does not have an easy fix. Only through dedicated efforts can it be reduced. Our veterans deserve those efforts. PVA wholeheartedly supports your proposed legislation. From sensible calculations of per diems to an increased focus on women and special needs veterans, this legislation will apply new approaches to caring for our veterans.

We all have a moral obligation to provide care to those veterans who are most vulnerable. Homelessness can be reduced, and Senator Wellstone, your legislation will mark a big step in the right direction.

Sincerely,

JOSEPH L. FOX, SR., National President.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. GRAHAM, Mr. HATCH, Mr. BREAUX, Mr. MURkowski, Mr. KERRY, Mr. JEFFORDS, Mr. TORRICELLI, Mr. KYL, Mrs. LINCOLN, Mr. HUTCHINSON, Mr. JOHNSON, Mr. HAGEL, Mr. DURBIN, Mr. GRIGG, Mr. SCHUMER, Mrs. HUTCHINSON, Mr. BAYH, Mr. CHAFEE, and Mr. REID):

S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.

Mr. President, I rise today along with Senators BAUCUS, GRAHAM, HATCH, BREAUX, MUKROWSKI, KERRY, JEFFORDS, TORRICELLI, KYL, LINCOLN, HUTCHINSON, JOHNSON, HAGEL, DURBIN, GRIGG, SCHUMER, HUTCHINSON, BAYH, CHAFEE, and REID to introduce bipartisan legislation intended to help Americans build a more secure retirement. Many of these members, such as Senator GRAHAM, HATCH, BREAUX, and JEFFORDS have been engaged in pension reform issues for many years. Others virtual retirement reform debate. I want to take a moment to thank them all for their hard work and enthusiasm in this bipartisan effort.

For five years now, Senate Finance Committee has worked on this comprehensive pension reform legislation.

In the last Congress, we came very close to enacting it into law. For example, the Finance Committee unanimously reported out the bill in early September 2000. While our bill was not considered on the floor, my colleagues and I are not discouraged. We have built on the work from the last five years in crafting the Retirement Security and Savings Act of 2001.

Many baby boomers will enter retirement ill prepared for the potentially high costs of supporting themselves. Inflation alone can siphon money from a fixed income, reducing a retiree’s standard of living. So it is important to have a considerable sum saved for one’s postemployment years. A fixed income for a worker who retires today will have half the purchasing power 20 years from now, assuming the historical average rate of inflation of 3.25 percent. Having adequate retirement savings can protect against inflation and other unexpected costs. Savings rates are at an historical low, but this bill will provide the incentives individuals need to boost their savings rates.

The Retirement Security and Savings Act of 2001 has six titles: individual retirement arrangements; expanding coverage; enhancing fairness for women and families; increasing portability for participants; strengthening pension security and enforcement; and reducing regulatory burdens. Let me highlight a few provisions from each title.

The limit on annual contributions to an IRA has not increased in twenty years. If the contribution limit kept up with inflation, individuals would now be able to contribute around $5000 to an IRA each year. Our bill would increase the maximum contribution limit from $2000 to $5000 and adjust that limit for inflation.

The Retirement Security and Savings Act of 2001 would also eliminate the marriage penalty applicable to contributions to a Roth IRA. The applicable limits for contributing would now be increased so that the applicable limit for married couples is twice the limit for single taxpayers.

The Small Business Administration reports that, small businesses employ 52 percent of the private sector labor force. An amazing 75 percent of new jobs are created by small businesses. Yet less than 20 percent of small business employees are covered by a retirement plan of any kind. By contrast, approximately 70 percent of employees who work for larger firms are offered a retirement plan. We work to address this disparity in the bill by making pension plans more attractive to businesses.

In order for a plan to be considered a qualified plan, workers benefit, as well as business owners.

The bill would also help defray the administrative costs of setting up a retirement plan by offering a partial tax credit for the costs associated with starting a plan. Furthermore, the bill would provide an additional credit for small business employers who make an employer contribution to the new retirement plan for the benefit of non-highly compensated employees. These credits have the potential to expand coverage among small businesses and we hope they will help us to accomplish that objective.

This bill also encourages lower or middle income individuals, to save for their retirement by establishing a retirement savings tax credit. This non-refundable credit will be equal to 50 percent of up to $2000 in contributions for a married couple with an income up to $50,000. The limitations on annual contributions to 401(k) plans would increase from $10,500 to $15,000. The SIMPLE limit would increase to $10,000. We know that pension plans are bought and not sold. In a voluntary system such as ours, retirement plans must be attractive to the business owner in order for him or her to establish a plan in the first place and maintain it over many years. These higher limits help to make qualified plans more attractive, relative to non-qualified plans.

When a business establishes a qualified plan, workers benefit, as well as business owners.

The bill would also help defray the administrative costs of setting up a retirement plan by offering a partial tax credit for the costs associated with starting a plan. Furthermore, the bill would provide an additional credit for small business employers who make an employer contribution to the new retirement plan for the benefit of non-highly compensated employees. These credits have the potential to expand coverage among small businesses and we hope they will help us to accomplish that objective.

This bill also encourages lower or middle income individuals, to save for their retirement by establishing a retirement savings tax credit. This non-refundable credit will be equal to 50 percent of up to $2000 in contributions for a married couple with an income up to $50,000. The limitations on annual contributions to 401(k) plans would increase from $10,500 to $15,000 for an individual taxpayer. Our goal with this provision is get people, especially young people, in the habit of saving.

The Retirement Security and Savings Act of 2001 would encourage small businesses to start a retirement plan for their employees by eliminating unnecessary administrative complexity in the top heavy rules. Top heavy rules that apply only to small businesses and, according to an Employee Benefits Research Institute survey, are the number one regulatory reason why small business owners do not start a pension. While the language in this bill may not go as far as many would like,

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the changes we have made are a step in the right direction.

Women tend to be somewhat more at risk of living in poverty as they age. There are many causes for this trend. For example, women may have breaks in service to care for young children or for elderly family members. Consequently, we hope this legislation will help women workers more saving options despite periodic departures from the paid workforce.

The Retirement Security and Savings Act partially restores the artificial limits on how much people can save in their employer's pension plan. One of the most burdensome provisions in the Internal Revenue Code is that 25 percent of compensation limitation contained within section 451(c). Under section 452(c), total contributions by employee and matching contributions in any one plan contribution plan are limited to 25 percent of compensation or $35,000, whichever is less.

But the retirement savings vehicle available for most private sector workers is one in which the maximum amount a worker can save is currently $10,500. Thus, a worker who makes $40,000 annually could only save $10,000, but not the additional $500 allowed by the rules in the Code. My colleagues and I see section 415(c) as an artificial barrier to saving of ordinary Americans and believe the 415(c) limit should be removed.

Our bill also allows catch-up contributions for contributions to defined contribution plans and IRAs. The provision is applicable only to individuals age 50 and older—aiding many who need to retire. Yet, many school teachers—especially those in their defined contribution plans. Our bill also allows public sector workers to take benefits from a defined contribution plan and by service credit in their defined benefit plan. For example, many school teachers who move from one school district to another may not accrue sufficient years of service in their defined benefit plan to obtain the maximum benefit they need to retire. Yet many school teachers are encouraged to discipline themselves and save regularly in their defined contribution plans. Our bill will permit those employees who choose to do so, to “purchase service credit” in the defined benefit plan offered by their employing agency.

It is said that knowledge is power. Knowledge about an individual’s pension benefits gives him or her the power to plan for retirement and correct errors before they enter retirement. The legislation would require that plan sponsors provide benefit statements to their participants on a periodic basis. For defined contribution plans, the statement would be required annually. For defined benefit plans, a statement would be required every three years. However, employers who provide an annual notice to employees of the availability of a benefit statement would not be required to provide automatic benefit statements to all employees.

The bill also simplifies and repeals the section 415 limit that would be imposed on defined benefit plans. This limit prevents employers from funding their defined benefit plans based on the current liability. This depressed funding level threatens the ability of employers to pay benefits, especially as the Baby Boom begins to retire.

This bill will also adjust the section 415 limits that have harmed many participants in multiemployer pension plans over the years. It will also provide a default option for a rollover to an IRA for certain involuntary cash outs. This is our first look at ways to reduce plan leakage.

In the case of a significant restructuring of a pension plan benefit formula, the Retirement Security and Savings Act of 2001 would require that affected recipients be given a benefit estimation tool kit. This would allow pension plan participants to easily determine how their individual benefits would be altered. The bill also directs the Treasury Department to study on the long-term effects of the trend of restructuring retirement plans.

To reduce the burdens of plan compliance, and to encourage voluntary compliance, the legislation includes a number of proposals intended to peel away at the layers of laws and regulations that add costs to plan administration, but don’t add many benefits. The legislation would repeal unnecessary rules bogging down pension administration, such as the multiple use test and the same desk rule. Moreover, mistakes made in administering a pension plan are often inadvertent. The IRS would be directed to simplify and expand its voluntary compliance resolution system.

The Retirement Security and Savings Act of 2001 has considerable bipartisan support. Furthermore, over the years that it has been pending, this legislation has received the support of over 100 organizations. These organizations include business groups and labor unions; large companies and small companies; private sector organizations and organizations representing government employees and many individuals. Few bills in the Senate can claim the diversity of support from organizations that traditionally don’t agree on policy that the Retirement Security and Savings Act of 2001 enjoys. I am proud of this fact. I think it is the clearest signal that we need to enact comprehensive pension reform this session.

I am happy to add one more organization to the list of organizations supporting the Retirement Security and Savings Act of 2001. Horace Deets, Executive Director of AARP sent a letter to me this week expressing AARP’s support for the legislation.
I will work to pass this critical piece of pension reform legislation this Congress. I urge my colleagues who have not already done so, to support the Retirement Security and Savings Act of 2001 and help Americans build a more secure retirement.

I ask unanimous consent that the text of the Retirement Security and Savings Act of 2001 be printed in the RECORD.

There being no objection, the bill S. 742 was ordered to be printed in the RECORD, as follows:

S. 742

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 “Retirement Security and Savings 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) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

I. INDIVIDUAL RETIREMENT ACCOUNTS

II. EXPANDING COVERAGE

III. SECURITY AND ENFORCEMENT

IV. INCREASING PORTABILITY

V. STRENGTHENING PENSION SECURITY AND ENFORCEMENT

VI. REDUCING REGULATORY BURDENS

VII. OTHER ERISA PROVISIONS

VIII. PLAN AMENDMENTS

SEC. 101. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking “$2,000” and inserting “the deductible amount”.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

“(b) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for such taxable year shall be an amount equal to 150 percent of such amount determined without regard to this subparagraph.

“(c) COST-OF-LIVING ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning in calendar year 2003, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) 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 2003’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) ROUNDOFF RULES.—If any amount after adjustment under clause (i) is not a multiple of $500, such amount shall be rounded to the next lower multiple of $500.”.

(b) INCREASE IN AGI LIMITS FOR ACTIVE PARTICIPANTS.

(1) JOINT RETURNS.—The table in clause (i) of section 219(g)(3)(B) (relating to applicable dollar amount) is amended to read as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
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<td>2003</td>
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<tr>
<td>2004</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2002</td>
<td>$66,000</td>
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<td>2003</td>
<td>$66,000</td>
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<td>2004</td>
<td>$66,000</td>
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<tr>
<td>2005</td>
<td>$68,000</td>
</tr>
</tbody>
</table>
For taxable years beginning after December 31, 2001, the applicable dollar amount is $2,000. However, for taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $1,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $1,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $2,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $2,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $3,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $3,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $4,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $4,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $5,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $5,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $6,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $6,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $7,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $7,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $8,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $8,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $9,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $9,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $10,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $10,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $11,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $11,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $12,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $12,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $13,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $13,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $14,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $14,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $15,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $15,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $16,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $16,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $17,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $17,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $18,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $18,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $19,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $19,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $20,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $20,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $21,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $21,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $22,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $22,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $23,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $23,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $24,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $24,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $25,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $25,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $26,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $26,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $27,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $27,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $28,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $28,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $29,000. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $29,500. For taxable years beginning after December 31, 2002 and before January 1, 2003, the applicable dollar amount is $30,000.
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greater of $82,212 or one-half the amount other otherwise attributable for such year under paragraph (1)(A) for $150,000.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking “social security retirement age” each place it appears in the heading and text and inserting “age 62” and by striking the second sentence.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking “social security retirement age” each place it appears in the heading and text and inserting “age 65”.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking “$90,000” in paragraph (1)(A) and inserting “$160,000”;

(B) in paragraph (3)(A)—

(i) by striking “$500” in the heading and inserting “$160,000”; and

(ii) by striking “October 1, 1986” and inserting “July 1, 2001”.

(5) CONFORMING AMENDMENTS.—

(A) Section 415(b)(2) is amended by striking subparagraph (F).

(B) Section 415(b)(9) is amended to read as follows:

“(9) SPECIAL RULE FOR COMMERCIAL AIRLINE PILOTS.—In the case of any participant who is a commercial airline pilot, if, as of the time of the participant’s retirement, regulations prescribed by the Federal Aviation Administration require an individual to separate from service as a commercial airline pilot at any age occurring on or after age 60 and before age 62, paragraph (2)(C) shall be applied by substituting such age for age 62.”

(C) Section 415(b)(10)(C)(1) is amended by striking “applied without regard to paragraph (2)(F)”.

(b) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(i), 408(k), and 505(b)(7) are each amended by striking “$62,212 or one-half the amount determined in accordance with the following table:

“For taxable years beginning in calendar year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$14,000</td>
</tr>
<tr>
<td>2006 and thereafter</td>
<td>$15,000.</td>
</tr>
</tbody>
</table>

(2) COST-OF-LIVING ADJUSTMENT.—Subparagraph (E) of section 401(a)(17) is amended by striking “$5,000” and inserting “twice the dollar amount in effect under subparagraph (b)(2)(A)”.

(c) SIMPLE RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—For purposes of subparagraph (A)(i), the term ‘owner-employee’ shall only include a person described in clause (ii) or (iii) of subparagraph (A).

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of section 408(p)(2)(A) is amended to read as follows:

“(E) APPLICABLE DOLLAR AMOUNT ; COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2001, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2005, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g)(3) (relating to qualification of deferred compensation plans of State and local governments and tax-exempt organizations) is amended by adding at the end the following:

“(A) by striking “applied without regard to paragraph (2)(F)”.

(B) Section 402(g)(3) is amended by striking “the amount in effect under section 408(p)(2)(A)”.

(C) Section 402(g)(3) is amended by striking “one-half the amount determined in accordance with the following table:

“For taxable years beginning in calendar year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$7,000</td>
</tr>
<tr>
<td>2003</td>
<td>$8,000</td>
</tr>
<tr>
<td>2004</td>
<td>$9,000</td>
</tr>
<tr>
<td>2005 or thereafter</td>
<td>$10,000.</td>
</tr>
</tbody>
</table>

(4) ROUNDING.—

(A) “$160,000 amount.—Any increase under subparagraph (A) (which is not a multiple of $5,000) shall be rounded to the next lowest multiple of $5,000.

(B) “$30,000 amount.—Any increase under subparagraph (C) of paragraph (1) (which is not a multiple of $1,000) shall be rounded to the next lowest multiple of $1,000.”

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

SEC. 202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subparagraph (B) of section 497(f)(6) (relating to elections not to apply to certain transactions) is amended by adding “in the case of the end of the tax year” after “in the tax year”.

(b) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term ‘owner-employee’ shall only include an individual described in subsection (I) or (II) of clause (i).

(c) AMENDMENT OF ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding a new paragraph:

“(E) ‘For purposes of paragraph (1)(A), the term ‘owner-employee’ shall only include a person described in clause (i) or (ii) of subparagraph (A).

(d) MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking “or any of the 4 preceding calendar years” in the matter preceding clause (I);

(B) by striking clause (I) and inserting the following:

“An officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year.”

(C) by striking clause (II) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively;
(D) by striking the second sentence in the matter following paragraph (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following:

‘‘For purposes of this subparagraph, in the case of an employee who is not employed during any 1-year period, such elective deferral shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.’’

SEC. 206. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) In general.—Subsection (c) of section 457 (relating to deferred compensation plans of state and local governments and tax-exempt organizations), as amended by section 201, is amended to read as follows:

‘‘(c) LIMITATION.—The maximum amount of the compensation of any individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b) (as modified by any adjustment provided under subsection (b)(3)).’’

(b) Effective date.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 207. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) In general.—Subpart A of part D of chapter 1 relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

‘‘SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

‘‘(a) General rule.—If an applicable retirement plan includes a qualified Roth contribution program—

(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

(b) Qualified Roth Contribution Program.—For purposes of this section—

(1) In general.—The term ‘qualified Roth contribution program’ means a program under which an employee may elect to make designated Roth contributions in lieu of all or any portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

(2) Separate accounting required.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

(A) establishes separate accounts (‘designated Roth accounts’) for the designated Roth contributions of each employee and any earnings properly allocable to the contributions and

(B) maintains separate recordkeeping with respect to each account.

(c) Definitions and Rules Relating to Designated Roth Contributions.—For purposes of this section—

(1) Designated Roth contribution.—The term ‘designated Roth contribution’ means any elective deferral which—

(A) is excludable from gross income of an employee without regard to this section, and

(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

(2) Designation limits.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

(3) Rollover contributions.—

(A) In general.—A rollover contribution of the amount of a distribution from a designated Roth account which is otherwise allowable under this chapter may be made only if the contribution is—

(i) another designated Roth account of the individual from whose account the payment or distribution was made, or
(d) DISTRIBUTION RULES.—For purposes of this title—

(1) EXCLUSION.—Any qualified distribution from a designated Roth account shall not be includible in gross income.

(2) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

(ii) a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

(3) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—The term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

(4) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

(A) not be treated as investment in the contract, and

(B) be included in gross income for the taxable year in which such excess is distributable.

(e) OTHER DEFINITIONS.—For purposes of this section—

(1) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ means—

(A) any qualified retirement plan (as defined in section 4974(c)),

(B) any "qualified retirement savings contribution plan" (as defined in section 402A), an eligible retirement arrangement (as defined in section 403(b)), a Roth IRA of such individual, and

(C) any "qualified retirement savings accounts arrangement" (as defined in section 402A(c)(3)),

(2) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

(ii) a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

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

(g) AND CONTRIBUTIONS AND EARNINGS THEREON.—The term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

(h) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

(A) not be treated as investment in the contract, and

(B) be included in gross income for the taxable year in which such excess is distributable.

(ii) a Roth IRA of such individual.

(iii) any qualified retirement plan (as defined in section 4974(c)),

(iv) any qualified retirement savings contribution plan (as defined in section 402A), an eligible retirement arrangement (as defined in section 403(b)), a Roth IRA of such individual, and

(v) any "qualified retirement savings accounts arrangement" (as defined in section 402A(c)(3)),

(2) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

(ii) a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

(iii) any qualified retirement plan (as defined in section 4974(c)),

(iv) any qualified retirement savings contribution plan (as defined in section 402A), an eligible retirement arrangement (as defined in section 403(b)), a Roth IRA of such individual, and

(v) any "qualified retirement savings accounts arrangement" (as defined in section 402A(c)(3)),
or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includable in gross income, and
(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408(a)(e)) to a Roth IRA.

(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—
(i) such taxable year,
(ii) the 2 preceding taxable years, and
(iii) the period after such taxable year and before the due date (including extensions thereof) of the return of tax for such taxable year.

(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—
(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), and
(ii) any distribution to which section 408(a)(d)(3) applies.

(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of this section, adjusted gross income includes—
(1) the tax imposed by section 55 for such taxable year,
(2) the tax imposed by section 501(a) if the plan from which the distribution was made, or benefits were accrued by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

(e) ADJUSTED GROSS INCOME.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

(f) INVESTMENT IN THE CONTRACT.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 26 is amended by inserting "(other than the credit allowed by section 25B)" after "credits allowed by subsection (d)."

(2) CONFORMING AMENDMENT.—Section 25B, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

(g) LIMITATION ON AMOUNT OF TAX.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

(1) the taxpayer's regular tax liability for the taxable year reduced by the amount of the credits allowed by sections 22, 23, 24, 25, and 25A, plus
(2) the tax imposed by section 55 for such taxable year.

(c) ANNUAL REPORT.—The Comptroller General of the United States shall submit a report annually to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the number of taxpayers receiving the credit allowed under section 25B of the Internal Revenue Code of 1986, as added by subsection (a).

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of chapter 1 is amended by inserting after the item relating to section 25A the following new item:
(g) Recapture of Credit on Forfeited Credits.—

(1) IN GENERAL.—Except as provided in paragraph (2), if any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter on such employer with respect to the extent such contributions were taken into account in determining the credit under this section.

(2) REALLOCATED CONTRIBUTIONS.—Paragraph (1) shall apply to any contribution which is reallocated by the employer under the plan to employees who are not highly compensated employees.''

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by inserting ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(13) The table of sections for subpart D of chapter 1 (relating to business credits), as amended by section 45E(a).''

(c) CONFORMING AMENDMENTS.—(1) SEC. 45F. SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT.—Section 45F(a) (defining current year business credit) is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(14) the establishment or administration of an employer plan, or

(ii) the retirement-related education of employees with respect to such plan.''

(b) PENSION PLAN STARTUP COSTS.—(1) AGGREGATION RULES.—All persons may be carried back to the taxable year beginning before January 1, 2002.''

(2) Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (9) and inserting ''. and'', and by adding at the end the following new paragraph:

''(10) the small employer pension plan contribution credit determined under section 45E(a).''

(c) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45F. Small employer pension plan contributions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001.

210. CREDIT FOR PENSION PLAN STARTUP COSTS.—(1) IN GENERAL.—The term 'eligible employer plan' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one employer or an employer if, during the 3-taxable year period immediately preceding the taxable year in which the request is made, the employer or any predecessor employer established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, for substantially the same employees as are in the qualified employer plan.

(b) PENSION PLAN STARTUP COSTS.—(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (a) or (c) of section 414, shall be treated as a single employer person. All plan assets shall be treated as 1 eligible employer plan.

(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

(c) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

(d) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 209, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (9) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(15) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan startup cost credit determined under section 45F(a).''

(e) CONFORMING AMENDMENTS.—(1) SEC. 45F. SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT.—(Section 38(c) defining current year business credit), as amended by section 209(c), is amended by adding at the end the following new item:

''(c) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 209, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (9) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(14) The term 'eligible employer plan startup cost credit' means a credit determined under section 45F(a).''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001.

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301. CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGED 50 OR OVER.—(a) IN GENERAL.—(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (a) or (c) of section 414, shall be treated as a single employer person. All plan assets shall be treated as 1 eligible employer plan.

(b) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

(c) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

(d) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 209, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (9) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(15) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan startup cost credit determined under section 45F(a).''

(e) CONFORMING AMENDMENTS.—(1) Section 38(c) defining current year business credit), as amended by section 209(c), is amended by adding at the end the following new paragraph:

''(c) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 209, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (9) and inserting ''. plus'', and by adding at the end the following new paragraph:

''(14) The term 'eligible employer plan startup cost credit' means a credit determined under section 45F(a).''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2001.

301. CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGED 50 OR OVER.—(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(y) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGED 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.''

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—
"(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

(ii) the excess (if any) of—

(I) the participant’s compensation (as defined in section 415(c)(3)) for the year, over

(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
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<tr>
<td>2003</td>
<td>10</td>
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<tr>
<td>2004</td>
<td>10</td>
</tr>
<tr>
<td>2005</td>
<td>10</td>
</tr>
<tr>
<td>2006 and thereafter</td>
<td>50</td>
</tr>
</tbody>
</table>

"(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1),—

"(A) such contribution shall not, with respect to the year in which the contribution is made—

(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(b), 408(k), 408(p), 415, or 457, or

(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

"(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 403(b)(12), 404(k), 408(p), 408(b), 410(b), or 416 by reason of the making of such contributions.

"(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term ‘eligible participant’ means, with respect to any plan year, a participant in a plan—

(A) who has attained the age of 50 before the close of the plan year; and

(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of any limitation or other restriction described in paragraph (3) or comparable limitation or restriction contained in the terms of the plan.

"(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

"(A) APPLICABLE DOLLAR AMOUNT.—The term ‘applicable dollar amount’ means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

"(B) APPLICABLE EMPLOYER PLAN.—The term ‘applicable employer plan’ means—

(i) an employer’s trust described in section 401(a) which is exempt from tax under section 501(a), and

(ii) a plan under which amounts are contributed by an individual employer for an annuity contract described in section 403(b), an eligible deferred compensation plan under section 457 of an eligible employer described in section 457(e)(1)(A), and

(iii) an arrangement meeting the requirements of section 457 of such Code.

"(C) ELECTIVE DEFERRAL.—The term ‘elective deferral’ has the meaning given such term by subsection (2)(C).

"(D) IN GENERAL.—A plan shall not allow an employer to contribute—

(1) to a plan under section 457 plans—

(a) by striking the ‘exclusive allowance’ for such taxable year in paragraph (1) and inserting ‘the applicable limit under section 415’. (b) by striking paragraph (2); and

(c) by inserting ‘or any amount received by a former employee after the fifth taxable year following the taxable year in which such employer contribution was terminated’ before the period at the end of the second sentence of paragraph (3).

"(2) APPLICABILITY.—

(A) Modified section 402(b)(1) of such Code is amended by striking ‘5 percent’ and inserting ‘100 percent’. (B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>2002</td>
</tr>
<tr>
<td>10</td>
<td>2003</td>
</tr>
<tr>
<td>10</td>
<td>2004</td>
</tr>
<tr>
<td>10</td>
<td>2005</td>
</tr>
<tr>
<td>50</td>
<td>2006 and thereafter</td>
</tr>
</tbody>
</table>

(3) CONFORMING AMENDMENTS.—

(A) Subsection 72 is amended by striking ‘section 403(b)(2)(D)(ii)’ and inserting ‘section 403(b)(2)(D)(ii) as in effect before the enactment of the Retirement Security and Savings Act of 2001’.

(B) Section 404(a)(10)(B) is amended by striking ‘or’ and inserting ‘or any amount received by a former employee after the fifth taxable year following the taxable year in which such employer contribution was terminated’ before the period at the end of the second sentence of paragraph (3).

(C) Section 415(a)(2) is amended by striking ‘10 percent’ and inserting ‘100 percent’, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2).

(D) Section 415(c)(7) is amended to read as follows:

(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term ‘participating’s compensation’ means the participant’s includible compensation determined under section 403(b)(8).

(F) Section 415(c)(7) is amended by striking paragraph (4).

(G) Section 415(c)(7) is amended by striking paragraph (4).

(H) Section 664(g) is amended—

(1) in paragraph (2), by inserting ‘limitations under section 415(e)’ and inserting ‘applicable limitation under paragraph (7)’, and

(2) by adding at the end the following new paragraph:

(7) APPLICABLE LIMITATION.—

(A) IN GENERAL.—For purposes of paragraph (3), the applicable limitation under this paragraph with respect to a participant is an amount equal to the lesser of—

(i) $30,000, or

(ii) 25 percent of the participant’s compensation (as defined in section 415(c)).

(B) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $30,000 amount under subparagraph (A)(i) at the same time and in the same manner as under paragraph (7), except that the base period shall be the calendar quarters beginning October 1, 1993, and any increase under this subparagraph which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(3) EFFECTIVE DATE.—The amendments made by this subsection apply to any taxable year beginning after December 31, 2001.

"(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section H is amended by adding at the end the following new paragraph:

(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (a) or (c) of section 415(d) as in effect before the enactment of the Retirement Security and Savings Act of 2001.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2001, in the case of any annuity contract described in section 403(b) of such Code, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined contribution plan be treated as previously excluded amounts for purposes of the exclusion allowance.

(4) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(A) IN GENERAL.—Subparagraph (B) of section 72 of such Code (relating to limitations on eligible deferred compensation plans) is amended by striking ‘331⁄3 percent’ and inserting ‘100 percent’.

(B) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.
SEC. 301. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) In General.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking “A plan” and inserting “Except as provided in paragraph (12), a plan”; and

(2) by adding at the end the following:

“(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

(B) by substituting the following table for the table contained in subparagraph (B):

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>The Nonforfeitable Percentage is</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

(b) Amendment of ERISA.—Section 203(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking “A plan” and inserting “Except as provided in paragraph (4), a plan”, and

(2) by adding at the end the following:

“(4) CONFORMING CHANGES.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

(B) by substituting the following table for the table contained in subparagraph (B):

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>The Nonforfeitable Percentage is</th>
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<tbody>
<tr>
<td>2</td>
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<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

(c) Effective Date.—

(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) Collective Bargaining Agreements.—In the case of a collective bargaining agreement entered into on or after such date of the enactment of this Act, the amendments made by this subsection shall apply to years beginning after December 31, 2001.

(3) Certain Employees.—An employee is described in this clause if such employee dies before—

(I) the date of the enactment of this Act, and

(II) the required beginning date (within the meaning of section 401(a)(9)(C) of the Internal Revenue Code of 1986) of the employee's interest.

(b) Tax Treatment of Payments From a Section 401(k) Plan for Certain Workers.

(a) In General.—Section 414(p)(1)(C) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting “or an eligible deferred compensation plan (within the meaning of section 457(b))” after “subsection (e)”; and

(2) in the heading, by striking “GOVERNMENTAL AND CHURCH PLANS” and inserting “CERTAIN OTHER PLANS”.

(b) Waiver of Certain Distribution Requirements.—Paragraph (10) of section 401(h) is amended by striking “and section 404(d)” and inserting “section 404(d), and section 404(a)(9)(B)”.

(c) Tax Treatment of Payments From a Section 401(k) Plan.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) Tax Treatment of Payments From a Section 401(k) Plan.—If a distribution or payment of an otherwise nonforfeitable benefit is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(c)(1)(A) shall apply to such distribution or payment.”.

(d) Effective Date.—

(1) In General.—The amendment made by subsection (a) shall apply to distributions, and payments made after December 31, 2001.

(2) Amendments Relating to Assignments in Divorce, Etc., Proceedings.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 305. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) In General.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting “or an eligible deferred compensation plan (within the meaning of section 457(b))” after “subsection (e)”; and

(2) in the heading, by striking “GOVERNMENTAL AND CHURCH PLANS” and inserting “CERTAIN OTHER PLANS”.

(b) Waiver of Certain Distribution Requirements.—Paragraph (10) of section 401(h) is amended by striking “and section 404(d)” and inserting “section 404(d), and section 404(a)(9)(B)”.

(c) Tax Treatment of Payments From a Section 401(k) Plan.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) Tax Treatment of Payments From a Section 401(k) Plan.—If a distribution or payment of an otherwise nonforfeitable benefit is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(c)(1)(A) shall apply to such distribution or payment.”.

(d) Effective Date.—

(1) In General.—The amendment made by subsection (a) shall apply to distributions, and payments made after December 31, 2001.

(2) Amendments Relating to Assignments in Divorce, Etc., Proceedings.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

SEC. 306. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) Safe Harbor Relief.—

(1) In General.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 402(c)(7)(A)(vii) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) Effective Date.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) Hardship Distributions Not Treated As Eligible Rollover Distributions.—

(1) Modification of Definition of Eligible Rollover Distribution.—Section 402(c)(4)(C) (relating to eligible rollover distribution) is amended by striking—

“in described in section 401(k)(2)(B)(i)”; and inserting—

“the terms of the plan”.

(2) Effective Date.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 307. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR SIMILAR WORKERS.

(a) In General.—Section 4972(c)(6) (relating to exceptions to nondeductible contributions), as amended by section 502, is amended by striking “or” at the end of subparagraph (A), by striking the period and inserting “or” at the end of subparagraph (B), and by inserting after subparagraph (B) the following:

“(C) so much of the contributions to a simple retirement account (within the meaning of section 408(p)) or a plan (within the meaning of section 403(b)(1)(A)) as is not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.”

(b) Exclusion of Certain Contributions.—Section 4972(c)(6), as amended by subsection (a), is amended by adding at the end the following new sentence: “Subparagraph (C) shall not apply to contributions made on behalf of the employer or a member of the employer’s family (as defined in section 443(e)(1))”.

(c) No Inference.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of non-deductible contributions under the laws in effect before such amendments.
(d) Effective Date.—The amendments made by this section shall become effective after December 31, 2001.

Title IV—Increasing Portability for Participants

Sec. 401. Rollovers Allowed Among Various Types of Plans.

(a) Rollovers from and to section 457 plans.—

(1) Rollovers from section 457 plans.—

(A) in general.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking the end of clause (ii), by striking the period at the end of clause (iii), and by inserting after clause (iv) the following new clause:—

"[(v) section 457(b) and which is maintained by an eligible employer described in section 457(e)(16).]"

(2) Rollovers to section 457 plans.—

(A) in general.—Section 402(c)(8)(B) is amended by striking "or section 403(b)(8), or subparagraph (A) of section 403(b)(9)" and inserting "or section 403(b)(8), or paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(9), and subparagraph (A) of section 403(b)(16)."

(B) Separate accounting.—Section 402(c) is amended by adding at the end the following new paragraph:—

"(11) Separate accounting.—Unless a plan described in clause (v) of paragraph (8)(b) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans."

(B) 10 percent additional tax.—Subsection (t) of section 72 (relating to 10 percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:—

"(9) Special rule for rollovers to section 457 plans.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 4974(c)) is treated as a distribution from a qualified retirement plan described in section 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)(1))."

(b) Allowance of Rollovers from and to 403(b) plans.—

(1) Rollovers from section 403(b) plans.—

Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "other than rollover amounts" after "taxable year".

(C) Direct rollover.—Paragraph (1) of section 403(d) is amended by striking "and" at the end of subparagraph (A), by inserting the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31)."

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year in which paid.

(b) 10 Percent Additional Tax.—Subsection (t) of section 72 (relating to 10 percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

"(9) Special rule for rollovers to section 457 plans.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 4974(c)) is treated as a distribution from a qualified retirement plan described in section 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)(1))."

(b) Allowance of Rollovers from and to 403(b) plans.—

(1) Rollovers from section 403(b) plans.—

Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "other than rollover amounts" after "taxable year".

(C) Direct rollover.—Paragraph (1) of section 403(d) is amended by striking "and" at the end of subparagraph (A), by inserting the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31)."

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year in which paid.

(d) Withholding.—

(1) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(e) an annuity contract described in section 408(b)."

(2) Expanded Explanation to Recipients of Rollovers of Distributions.—

Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by inserting the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) of the provisions under which distributions from the eligible retirement plan are subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distributions;"

(d) Spousal Rollovers.—

Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking the end of clause (ii) and inserting "and", and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) paid into an eligible retirement plan for the benefit of an individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan is not to exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph)."

For purposes of clause (ii), the term ‘eligible retirement plan’ means an eligible retirement plan described in clause (ii), (iv), (v), or (vi) of section 402(c)(8)(B)."

(b) Conforming Amendments.—

(1) In section 402(c)(8) (relating to rollover amounts) is amended by striking "section 402(c)(3)(A)(ii)" and inserting "section 402(d)(3)(A)(ii)."

(2) Section 212(d)(2) is amended by striking "or 408(d)(3)" and inserting "or 408(d)(3), or 457(e)(16)."

(b) Rollovers of IraS Into Workplace Retirement Plans.

(a) In General.—

Paragraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of an individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan is not to exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph)."

For purposes of clause (ii), the term ‘eligible retirement plan’ means an eligible retirement plan described in clause (ii), (iv), (v), or (vi) of section 402(c)(8)(B)."

(b) Conforming Amendments.—

(1) In section 402(c)(8) (relating to rollover amounts) is amended by striking "section 402(c)(3)(A)(ii)" and inserting "section 402(d)(3)(A)(ii)."

(2) Section 212(d)(2) is amended by striking "or 408(d)(3)" and inserting "or 408(d)(3), or 457(e)(16)."

(b) Rollovers of IraS Into Workplace Retirement Plans.

(a) In General.—

Paragraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of an individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan is not to exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph)."

For purposes of clause (ii), the term ‘eligible retirement plan’ means an eligible retirement plan described in clause (ii), (iv), (v), or (vi) of section 402(c)(8)(B)."

(b) Conforming Amendments.—

(1) In section 402(c)(8) (relating to rollover amounts) is amended by striking "section 402(c)(3)(A)(ii)" and inserting "section 402(d)(3)(A)(ii)."
(2) Clause (i) of section 408(d)(3)(D) is amended by inserting “(ii), (iii), or (iv)” and inserting “(i)” or “(ii)”.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

“(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any rollover or distribution out of a simple retirement account (as defined in subsection (p) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”.

(c) EFFECTIVE DATE; SPECIAL RULES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (b)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (ii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendment described in clause (i)—

“(1) NOTWITHSTANDING THE PRO RAT A ALLOCATION OF THE AMENDMENT IN THE CONTRACT TO DISTRIBUTIONS UNDER SECTION 72, THE PORTION OF SUCH DISTRIBUTION ROLLED OVER TO AN ELIGIBLE RETIREMENT PLAN DESCRIBED IN CLAUSE (I) IS TREATED AS INCOME ON THE CONTRACT (TO THE EXTENT OF THE AGGREGATE INCOME ON THE CONTRACT FROM ALL INDEPENDENT RETIREMENT PLANS OF THE DISTRIBUTEE), AND

(2) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

“(1) SECTION 72 SHALL BE APPLIED SEPARATELY TO SUCH DISTRIBUTION,

“(2) THE SECRETARY OF THE TREASURY MAY WAIVE THE 60-DAY REQUIREMENT UNDER SUBPARAGRAPH (A) WHERE THE FAILURE TO WAIVE SUCH REQUIREMENT WOULD RESULT IN EQUITABLE OR GOOD CONSCIENCE, INCLUDING DISASTER, OR OTHER EVENTS BEYOND THE REASONABLE CONTROL OF THE INDIVIDUAL SUBJECT TO SUCH REQUIREMENT.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation on rollover amount which may be rolled over) is amended by adding at the end the following:

“(7) AIA.—(A) such portion is transferred in a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan;”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 405. TREATMENT OF FORMS OF DISTRIBUTIONS.

(a) PLAN TRANSFERS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(b) IRA S.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by subsection (b), is amended by adding after subparagraph (H) the following new subparagraph:

“(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would result in equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.

(c) EMERGENCY TRANSFERS.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) AMENDMENT OF ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

“(g)(A) A defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

(1) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferee plan;

(2) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

(3) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

(4) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election; and

(5) the transfer described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

(2) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.”.

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

(b) REGULATIONS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—The last sentence of section 411(d)(6)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(d)(6)(B)) is amended by inserting “or subsidy which creates significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.” after the period at the end of such sentence.
SEC. 406. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.
(a) MODIFICATION OF SAME DISK EXCEPTION.—
(1) SECTION 401(k).—
(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking “separation from service” and inserting “severance from employment.”
(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows: “(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).”.
(C) Section 401(k)(10) is amended—
(i) in subparagraph (B)—
(I) by striking “An event” in clause (i) and inserting “A termination”; and
(II) by striking “the event” in clause (i) and inserting “the termination”;
(ii) by striking subparagraph (C); and
(iii) by striking “or disposition of assets or subsidiary” in the heading;
(2) SECTION 401(b).—
(A) Paragraphs (7)(A)(II) and (11)(A) of section 401(b) are each amended by striking “separation from service” and inserting “has a severance from employment.”
(B) The heading for paragraph (11) of section 401(b) is amended by striking “separation from service” and inserting “severance from employment”.
(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking “separated from service” and inserting “has a severance from employment”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 407. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.
(a) 403(b) PLANS.—Subsection (b) of section 403(b) is amended by adding at the end the following new paragraph:
“(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer results in—
(A) the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or
(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 408. EMPLOYERS MAY DISREGARD ROLL-OVERS FOR PURPOSES OF CASH-OUT AMOUNTS.
(a) QUALIFIED PLANS.—
(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 411(a)(11) (relating to restrictions on certain rollovers of contributions) is amended by adding at the end the following:
“(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contributions (as defined in section 402(c), 408(a)(4), 408(d)(3)(A)(ii), and 457(e)(16)).”.
(2) AMENDMENT OF ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:
“(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contribution under sections 402(c), 408(a)(4), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.”.
(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking “such amount” and inserting “the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))”.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to tax years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

SEC. 409. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.
(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to minimum distribution requirements) is amended to read as follows:
“(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).”.
(b) INCLUSION IN GROSS INCOME.—(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:
“(a) YEAR OF INCLUSION.—A portion of any rollover contribution under section 457 deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—
(A) is paid to the participant or other beneficiary, in the case of an eligible employer described in subsection (e)(1)(A), and
(B) is paid or otherwise made available to the participant or other beneficiary, in the case of an eligible employer described in subsection (e)(1)(B).
(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.”.

CONFORMING AMENDMENTS.—
(1) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:
“(A) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan, the amount includible in gross income under section 72(t) made by an employer described in subsection (e)(1)(B).”.
(2) Section 457(d) is amended by adding at the end the following new paragraph:
“(2) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).”.
(3) MODIFICATION OF TRANSITION RULES FOR EXISTING PLANS.—
(1) IN GENERAL.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “or” and by inserting after clause (ii) the following new clause:
“(iii) deferred pursuant to a qualified plan amendment described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—
(1) the amount described in clause (i)(II) multiplied by
(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor).”.
(2) CONFORMING AMENDMENT.—The fourth sentence of section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking “This subparagraph” and inserting “Clauses (i) and (ii) of this subparagraph”.
(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act with respect to increases in the Consumer Price Index after September 30, 1993.

TITLES V—STRENGTHENING PENSION SECURITY AND ENFORCEMENT
Subtitle A—General Provisions
SEC. 501. REPEAL OF 15 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.
(a) AMENDMENTS TO INTERNAL REVENUE CODE.—Section 412(c)(7) (relating to full-funding limitations) is amended by—
(1) by striking “the applicable percentage” in subparagraph (A)(1)(I) and inserting “in
the case of plan years beginning before January 1, 2005, the applicable percentage is—

<table>
<thead>
<tr>
<th>Year</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>160</td>
</tr>
<tr>
<td>2003</td>
<td>165</td>
</tr>
<tr>
<td>2004</td>
<td>170</td>
</tr>
</tbody>
</table>

2. By amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>160</td>
</tr>
<tr>
<td>2003</td>
<td>165</td>
</tr>
<tr>
<td>2004</td>
<td>170</td>
</tr>
</tbody>
</table>

3. By amending—

(a) Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 were the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of 302(c)(7) of the Employee Retirement Income Security Act of 1974.''.

(b) Section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(f)), subparagraph (B) of section 415(b) (relating to limitation for defined benefit plans) shall not apply to such employer for such year if such plan is—

(a) an entity which is described in section 414(b)(6) and is a governmental plan; or

(b) a multiemployer plan described in section 414(b)(11).

For purposes of this paragraph, the deductible limits under section 401(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B)."

I. SEC. 503. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) In General.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

"(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined for purposes of determining without regard to subparagraph (A)(i) thereof). For purposes of this paragraph, the deductible limits under section 401(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.

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

II. SEC. 504. TREATMENT OF MULTIEMPLOYER PLANS

(a) In General.—Section 401(a)(21) of the Employee Retirement Income Security Act of 1974 were the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B)."

III. SEC. 505. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

"(b) EFFECTIVE DATE.—The amendment made by this section shall apply to employee deferrals for plan years beginning after December 31, 1996.

(c) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendment made by this section shall not apply to any elective deferral which is invested in assets containing qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.

IV. SEC. 506. PERIODIC PENSION BENEFITS STATEMENTS.

(a) In General.—Section 105(a) of the Employee Retirement Income Security Act of 1974 were the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

V. SEC. 508. PERIODIC PENSION BENEFITS STATEMENTS.

(a) In General.—Section 105(a) of the Employee Retirement Income Security Act of 1974 were the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of the applicable limits under section 404(a)(7) as does not exceed the greater of—

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.
section 318(a)(2)(B)(i), an individual shall be treated as holding deemed-owned shares of the individual. Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

(4) Disqualified person.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘disqualified person’ means any person if—

(i) the aggregate number of deemed-owned shares of such person and the members of such person’s family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

(B) TREATMENT OF FAMILY MEMBERS.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person’s family with deemed-owned shares shall be treated as a disqualified person under subparagraph (A), regardless of whether such member otherwise treated as a disqualified person under subparagraph (A).

(C) DEEMED-OWNED SHARES.—

(i) IN GENERAL.—The term ‘deemed-owned shares’ means, with respect to any person—

(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

(II) such person’s share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

(ii) PERSON’S SHARE OF UNALLOCATED STOCK.—For purposes of clause (i)(II), a person’s share of unallocated stock shall be treated as owned by such person unless all of such unallocated stock is allocated to all participants in the same proportions as the most recent stock allocation under the plan.

(D) MEMBERS OF FAMILY.—For purposes of this paragraph, the term ‘member of the family’ means, with respect to any individual—

(i) the spouse of the individual,

(ii) an ancestor or lineal descendant of the individual or the individual’s spouse,

(iii) a brother or sister of the individual or the individual’s spouse, or any lineal descendant of the brother or sister, and

(iv) the spouse of any individual described in clause (i), (ii), or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual’s spouse for purposes of this subsection.

(5) TREATMENT OF SYNTHETIC EQUITY.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, any stock in such corporation which was so allocated or owned shall be treated as stock of the S corporation which is held by such plan, and the term ‘deemed-owned shares’ shall be treated as owning deemed-owned shares of stock in such corporation which is held by such plan.

(B) the term ‘synthetic equity’ has the meaning given such term by section 4979(e)(7).

(3) Synthetic equity.—The term ‘synthetic equity’ includes any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

(7) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(b) Coordination with Section 4975(e)(7).—

The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting ‘, section 4909(p),’ after ‘4909(n).’

(c) Excise Tax.—

(1) APPLICATION OF TAX.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking ‘or’ at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

(3) there is any allocation of employer securities which violates the provisions of section 4909(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

(D) any synthetic equity is owned by a disqualified person in any nonallocation year, there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

(1) LIABILITY FOR TAX.—The tax imposed by this section shall be paid—

(A) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

(i) the employer sponsoring such plan, or

(ii) the eligible worker-owner cooperative, which made the written statement described in section 4964(g)(1)(E) or in section 4979A(g)(1)(E) (as the case may be), and

(B) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.

(3) DEFINITIONS.—Section 4979A(a) (relating to definitions) is amended to read as follows:

(e) Definitions and Special Rules.—For purposes of this section—

(1) Definitions.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 4909 and 4979A.

(2) Special Rules Relating to Tax Imposed by Reason of Paragraph (3) or (4) of Subsection (a).—
(A) The heading of section 401(a)(31) is amended by striking "OPTIONAL direct" and inserting "DIRECT".

(B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking "Subparagraphs (A) and (B)"

(b) NOTICE REQUIREMENT.—Section 402(f)(1) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by inserting at the end of the following new subparagraph:

""(E) if applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution under section 401(a)(31)(B) unless the recipient elects otherwise."'.

(c) ACTUARIAL SCHEDULES.—Section 1011 of the Internal Revenue Code of 1986, as amended by this section, is amended by striking "in the case of a plan other than a single employer plan," and inserting "in the case of any employer plan," before "the determination of the amount or value of the sum."
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plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit to each applicable individual. If such plan amendment occurs within 12 months of an event described in section 410(b)(6)(C), the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date of notice under subparagraph (A) is given to such applicable individuals.

(ii) Sufficent information to enable an applicable individual to estimate the individual’s projected benefits under the terms of the plan in effect both before and after the adoption of the amendment.

(iii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

(iv) The interest rate used to compute a lump sum distribution and information as to whether the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) is included in the lump sum distribution.

(b) Notice to designer.—Any notice under paragraph (1) or (2) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

(b)(2)(A) If a plan amendment results in the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

(1) sets forth a summary of the plan amendment and the effective date of the amendment;

(2) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual;

(3) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(4) describes any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(i)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

(b)(2)(B) For purposes of subparagraph (A), any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations may by regulation allow any notice under paragraph (1) to be provided in a manner calculated to be reasonably understood by the average plan participant.

(b)(2)(C) A plan administrator shall, not later than 1 year after the date of the enactment of this section, issue—

(1) the regulations described in subsection (e)(1)(D) and section 4980F of the Internal Revenue Code of 1986;

(2) guidance for both of the examples described in subparagraph (B) to applicable individuals to the greater of—

(i) the benefits to which they would have been entitled without regard to such amendment, or

(ii) the benefits under the plan with regard to such amendment.

(b)(3) AMENDMENT OF ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

"(h)(1) If an applicable pension plan is amended so as to have the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

(1) the benefits which they would have been entitled without regard to such amendment, or

(2) the benefits under the plan with regard to such amendment.

(b)(4) NEW TECHNOLOGIES.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided in a manner calculated to be reasonably understood by the average plan participant.

(b)(5)(A) In the case of any failure to exercise due diligence in meeting any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

(i) the benefits to which they would have been entitled without regard to such amendment, or

(ii) the benefits under the plan with regard to such amendment.

(b)(5)(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan sponsor and is—

(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

(ii) a failure to provide most of the individuals with most of the information they need to determine an early retirement benefit which is to be included in the lump sum distribution under the plan,

(iii) a failure to exercise due diligence which determines an early retirement benefit which is to be included in the lump sum distribution under the plan.

(b)(5)(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

(b)(5)(D) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), and

(iii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under a qualified domestic relations order (within the meaning of section 414(p)(1)(A)), and

(iv) any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974.

(b)(6) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), and

(iii) any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974.

(b)(7) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), and

(iii) any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974.

(b)(8) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), and

(iii) any other plan to which section 204(h) of the Employee Retirement Income Security Act of 1974 and the benefit estimation tool kit described in subsection (e)(1)(D) and section 204(h)(1)(D) of the Employee Retirement Income Security Act of 1974.
‘‘(7) For purposes of this subsection, a plan amendment that significantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 264(e)(2)(A)) shall be treated as having the effect of significantly reducing the value of return benefits accorded.

‘‘(8) The Secretary of the Treasury may by regulation allow any notice under this subsection, or any notice under any provision of new subchapter S, to be made by using new technologies. Such regulation shall ensure that at least one option for providing such notice is not dependent on new technologies.

(c) STUDY.—The Secretary of the Treasury shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980(f)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting such requirements if such plan is not less than 125 percent of the plan year prior to the year to which the valuation refers (as defined in paragraph (7)(B)).

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(4) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of ‘‘wear away’’ provisions under which participating employers fail to maintain benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such study and recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

TITLE VI—REDUCING REGULATORY BURDENS

SEC. 601. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read—

‘‘(9) ANNUAL VALUATION.—

‘‘(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses for any plan year shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

‘‘(B) VALUATION DATE.—

(i) CURRENT YEAR.—Except as provided in clause (ii), a valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such plan year (as defined in section 411(c)(10)).

(ii) TIMING OF VALUATIONS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

(iii) ELECTION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.’’. [497x726]

(b) AMENDMENT OR ERISA.—Paragraph (9) of section 402(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ‘‘(A)’’ after ‘‘(9)’’;

(2) by adding at the end the following new paragraph:

‘‘(B) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

(d) EFFECTIVE DATE.—

(a) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(b) TRANSITION.—Until such time as the Secretary issues regulations under section 4980(f)(2) of the Internal Revenue Code of 1986, the amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(c) REGULATIONS RELATING TO EARLY RETIREMENT SUBSIDIES.—The Secretary of the Treasury or the Secretary’s delegate shall, not later than 1 year after the date of enactment of this Act, issue regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(h)(2)(A) of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary issues regulations under section 4980(f)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting such requirements if such plan is not less than 125 percent of the plan year prior to the year to which the valuation refers (as defined in paragraph (7)(B)).

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(4) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of significant restructurings of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restructurings on longer service participants, including the incidence and effects of ‘‘wear away’’ provisions under which participating employers fail to maintain benefits for a period of time after restructuring. As soon as practicable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such study and recommendations thereon, to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate.

TITLE VI—REDUCING REGULATORY BURDENS

SEC. 602. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DE- DUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (de- 

fining the term ‘‘qualified employer plan’’) is amended by striking ‘‘or’’ at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ‘‘, or’’, and by striking the last sentence at the end of paragraph (7).

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

SEC. 603. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DE- DUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (de- 

fining the term ‘‘qualified employer plan’’) is amended by striking ‘‘or’’ at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ‘‘, or’’, and by striking the last sentence at the end of paragraph (7).

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

SEC. 604. EMPLOYERS OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

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

SEC. 605. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIRE- MENT FOR OWNERS AND THEIR SPOUSES.

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

SEC. 606. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIRE- MENT FOR OWNERS AND THEIR SPOUSES.

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

SEC. 607. ELIMINATION OF CERTAIN REQUIREMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

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

SEC. 608.書き込み}
SEC. 607. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability of an opportunity for self-correction of compliance failures;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit;

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 608. REPEAL OF THE MULTIPLE USE TEST.

(a) In General.—Paragraph (9) of section 401(m)(1) of the Internal Revenue Code shall be amended to add the following as a part thereof:

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations permitting appropriate aggregation of plans and contributions.

(b) Effective Date.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 609. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) Nondiscrimination.—

(1) IN GENERAL.—The Secretary of the Treasury shall, to the extent provided by the Secretary, prescribe, or modify, such regulations as may be necessary to allow a plan to provide benefits in a manner calculated to be reasonably understood by the participants and beneficiaries of such plan.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

(b) Coverage Tests.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by striking "180 days" and inserting "180-day".

(c) Conditions of Availability.—

(1) IN GENERAL.—Section 411(a)(6) is amended by striking "90-day" and inserting "90-day".

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

(d) Interpretation of Certain Non-Discrimination Rules Applicable to State and Local Plans.

(1) IN GENERAL.—Section 411(a)(3) (relating to plans of moratorium on applicability of certain nondiscrimination rules applicable to state and local plans) is amended by striking "180 days" and inserting "180-day".

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(e) Disclosure of Optional Forms of Benefits.—

(1) IN GENERAL.—If—

(A) a plan provides optional forms of benefits, and

(B) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (ii).

(2) INFORMATION.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant’s election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understandable by the average plan participant.

(2) AMENDMENT OF ERISA.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

"(C)(1) If—

(A) a plan provides optional forms of benefits, and

(B) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then such plan shall include the information described in clause (ii) with each written explanation required to be provided under subparagraph (A).

(II) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury)
to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant’s election as to the form of benefit will have on the value of the benefits available under the plan. Any such publication shall be provided in a manner calculated to be reasonably understood by the average plan participant.”

SEC. 612. ANNUAL REPORT DISSEMINATION.

(a) In General.—Section 1094(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking “shall furnish” and inserting “shall make available for examination (and, upon request, shall furnish)”: 

(b) Effective Date.—The amendment made by this section shall apply to reports for years beginning after December 31, 2001.

SEC. 613. TECHNICAL CORRECTIONS TO SAVIER ACT.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking “2001 and 2005 on or after September 1 of each year involved” and inserting “in the month of September of each year involved”;

(2) in subsection (b), by adding at the end the following new sentence: “To effectuate the purposes of this paragraph, the Secretary may enter into a cooperative agreement, pursuant to the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301 et seq.), with the American Savings Education Council.”;

(3) in subsection (e)(2),

(A) by inserting in paragraph (1) and inserting “Committee on Health, Education, Labor, and Pensions”;

(B) by striking subparagraph (F) and inserting the following:

“(F) the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, Employment, Education, and Human Resources in subparagraph (D) and inserting “Committee on Health, Education, Labor, and Pensions”;

(C) by redesignating subparagraph (G) as subparagraph (I) and

(D) by inserting after subparagraph (F) the following new subparagraphs:

“(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

“(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

“(1) the Chairman and Ranking Member of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce of the House of Representatives;

“(2) in section (e)(3)(A) —

(A) by striking “There shall be no more than 200 additional participants.” and inserting “The number of participants in the National Summit shall also include additional participants appointed under this subparagraph.”;

(B) by striking “one-half shall be appointed by the elected leaders of Congress” and inserting “not more than 100 participants shall be appointed under this clause by the President.”; and

(C) by striking “and” at the end of paragraph (ii); and

(i) to which the provisions of this section do not apply (without regard to this subsection), and

(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

(iii) at the time the plan is to be distributed upon termination, the plan—

(A) current tax provisions allowing individuals to use pre-tax dollars to purchase annuities or qualified retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(1) the extent of use of such current provisions by individuals and

(2) the extent to which such provisions underwrite the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(1) current restrictions on investments; and

(2) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.

(2) Report.—Not later than January 1, 2003, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

TITLE VII—OTHER ERISA PROVISIONS

SEC. 701. MISSING PARTICIPANTS.

(a) In General.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

“(c) Multiemployer Plans.—The corporation shall prescribe rules similar to the rules in subsection (a) for plans covered by this title that terminate under section 4041A.

“(d) Plans Not Otherwise Subject to Title.

“(1) Transfer to Corporation.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant’s benefits to the corporation upon termination of the plan.

“(2) Information to the Corporation.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

“(A) to the corporation; or

“(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

“(3) Payment by the Corporation.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

“(A) in a single sum (plus interest), or

“(B) in such other form as is specified in regulations of the corporation.

“(4) Plans Described.—A plan is described in this paragraph if—

“(A) the plan is a pension plan (within the meaning of section 3(2))—

(i) to which the provisions of this section do not apply (without regard to this subsection), and

(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

(iii) at the time the plan is to be distributed upon termination, the plan—

(A) current tax provisions allowing individuals to use pre-tax dollars to purchase annuities or qualified retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(1) the extent of use of such current provisions by individuals and

(2) the extent to which such provisions underwrite the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(1) current restrictions on investments; and

(2) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.
(a) New Plans.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new subparagraph:

"(E)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor or any member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) Definition of New Single-Employer Plan.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"(F)(1) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of any sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.

(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1)."

(c) Effective Date.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 704. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) In General.—Section 4006(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(b)) is amended—

(1) by striking "(b)" and inserting "(b)(1)," and

(2) by inserting at the end the following new paragraph:

"(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1)."

(b) Effective Date.—The amendment made by subsection (a) shall apply to payments made after the later of the effective date or the adoption date of the premium law (as defined in section 4091, 4102, and 4103 of the Internal Revenue Code of 1986).

SEC. 705. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) Modification of Presumption of Guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1342(b)(5)) is amended—

(1) by adding at the end the following new subparagraph:

"(5)(A) For purposes of this paragraph, the term ‘majority owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business, or

"(ii) in the case of a partnership, is a partner in any partnership, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

(2) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation.

SEC. 706. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.


(1) in clause (i), by inserting “other than a new single-employer plan (as defined in subparagraph (E)) maintained by a small employer (as so defined),” after “single-employer plan,”

(2) in clause (ii), by striking the period at the end and inserting “, and”, and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) Definition of New Single-Employer Plan.—Section 4006(a)(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended by adding at the end the following new subparagraph:

"(F)(1) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.

(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1)."

(c) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.
For purposes of paragraph (3), the constructive ownership described in section 401(e)(1) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 168(e)(3)(C)).

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1341(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)."

(e) RECOVERY AMOUNT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(f) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on January 1, 2002.

SEC. 706. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) IMPOSITION AND AMOUNT OF PENALTY MADE DISCRETIONARY.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended to read as follows:

"(1) by striking "shall" and inserting "may"; and

"(2) by striking "equal to" and inserting "not greater than".

(b) APPLICABLE RECOVERY AMOUNT.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

"(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(c) EFFECTIVE DATE.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

TITLE VIII—PLAN AMENDMENTS

SEC. 801. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under paragraph (2) or (5) of subsection (a).

The Secretary may, in the Secretary’s sole discretion, extend the 30-day period described in this paragraph.

(c) OTHER RULES.—Section 502(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(1)) is amended by adding at the end of such new paragraph a sentence—

"(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

(d) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.

(e) EFFECTIVE DATE.—

(1) In General.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) TRANSITION RULE.—In applying the amendment made by subsection (b) relating to applicable recovery amount, a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date.

SEC. 707. BENEFIT SUSPENSION NOTICE.

(a) MODIFICATION OF REGULATION.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notice required by such regulation—

(1) in the case of an employee who returns to work for a former employer after commencement of payment of benefits under the plan shall—

(A) be made during the first calendar month or payroll period in which the plan withholds payments, and

(B) if a reduced rate of future benefit accruals will apply to the returning employee (as of the first date of participation in the plan by the employee after returning to work), include a statement that the rate of future benefit accruals will reduced, and

(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

SEC. 802. AMENDMENTS TO WHICH SECTION APPLIES.

(a) IN GENERAL.—This section shall apply to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(b) on or before the last day of the first plan year beginning on or after January 1, 2005.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be substituting "2007" for "2005."

(b) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment, described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date of enactment of this Act, and

(B) the plan or contract is operated as if such plan or contract amendment were in effect.

Mr. BAUCUS. Mr. President, I am very pleased to be joining my chairmen, Senators GRASSLEY and JEFFORDS, without whose tireless work on pension issues this bill would not have been possible.

We all know that our nation is facing a demographic shift of tremendous proportions in the coming decades. There are over 35 million people over the age of 65 today. By 2050, the number of people aged 65 and older is estimated to rise above 81 million.

Yet we have watched the oncoming wave of retirements without adequately preparing for them, either as a nation, or as individuals.

About three in every four workers say they have plans to begin saving for retirement outside the Social Security system. But the amounts accumulated by workers as a whole are unimpressive. Most have accumulated less than $50,000 in their retirement accounts—$40,000 of which half of 401(k) accounts have balances of less than $10,000. Now some of these small amounts, not surprisingly, belong to younger workers who have more time for those assets to grow. But only one-fourth of those aged 35 and older have saved more than $100,000.

Americans can already expect to live about a quarter of their lives in retirement. As advances in medicine conquer more and more life threatening diseases such as cancer and stroke, more of us will live to see our second century—spending a full one-third of our lives in retirement. Every dollar we save will be stretched further as we live longer. Our ability and willingness to save now will define whether those retirement years are spent in comfort or poverty.

The American people have many wonderful qualities. But, these days, unfortunately, thrift isn’t one of them.

During the last twenty years, personal savings rates have consistently declined, from a peak of just under 11 percent of GDP in the 1970’s and 1980’s to today’s abysmal numbers. Personal saving as a percentage of disposable income have been in negative territory since last July, and the preliminary estimate for February is a negative 1.3 percent, the same as in January.

What does this matter? A low savings rate means that people aren’t putting their own money away for retirement. That makes them more dependent on Social Security.

Sixteen percent of today’s retirees rely exclusively on Social Security benefits for their retirement income, and two-thirds of all retirees rely on the Social Security system. But the Social Security system is insufficient for most of their retirement income. Yet Social Security only replaces an average of 40 percent of a worker’s income, because the program was never designed to be a
retiree's sole source of support. If retirees continue to rely so heavily on Social Security, there will still be far too many who will suffer their retirement years one step away from poverty.

On top of that, a low savings rate means that less capital is available for new investments today. Increased capital for investment is an essential element to our international competitiveness, and critical in a time of slow economic growth such as we have now. Helping more Americans save for their retirement will be a long-term economic stimulus for our country.

The bill we are introducing here today represents a bi-partisan effort to reverse this trend. It will expand savings opportunities for those who are not saving enough, and provide incentives for those who are not saving at all. It is endorsed by a broad cross-section of groups representing the pension community, from the Retirement Savings Network to the AARP.

The bill reforms the tax rules for pension plans. One approach is to make pensions more portable, to make it easier for workers to take their pensions with them when they change jobs. It strengthens pensions security and enforcement. It expands coverage for small businesses. It enhances pension fairness of women. And it encourages retirement education.

The bill also increases the contribution limits for Individual Retirement Accounts. IRAs have proven to be a very popular way for millions of workers to save for retirement, particularly for those who don't have pension plans available through their employers. The IRA limits haven't been increased since they were created almost two decades ago. They are long overdue for an increase. In addition to the IRA provisions, the bill increases contribution limits for employer-sponsored pension plans such as 401(k) plans.

These are positive changes. However, by and large, they reinforce the conventional approach to retirement incentives. That approach can best be described as a "top down" approach. We create incentives for people with higher incomes, hoping that the so-called nondiscrimination rules will give the higher paid folks an incentive to encourage more participation by others, such as through employer matching programs.

I don't have a problem with this approach, as far as it goes. But it doesn't do enough to reach out to middle and lower income workers.

That's why I am particularly pleased that the bill goes further, by creating two new savings incentives. One creates new incentives to encourage small businesses to establish pension plans for their employees. The other creates a new matching program to help workers save their own money for retirement.

Let me discuss each in turn.

First, the incentives for small businesses. Unlike larger companies, most employers in small firms put into new retirement plans. While three out of every four workers at large companies are participating in some form of pension plan, only one out of every three employees of small businesses have pensions. This leaves over 30 million workers without a pension plan.

It's not that small businesses don't have the administrative costs to start a new plan. They said tax credits for start-up costs would be strong incentives for starting retirement plans. They said tax credits are second only to an increase in business start-up costs. A couple of small employers to offer a new plan to their employees.

The Grassley-Baucus bill provides this motivation by creating two new tax credits. The first is a tax credit of up to $500 to help defray the administrative costs of starting a new plan.

The second is a tax credit to help employers contribute to a new plan on behalf of their lower paid employees. In effect, it is a match of amounts employers make to employees in small firms put into new retirement plans for their employees, up to a limit of 3% of the salaries of these workers.

Taken together, these new incentives will make it easier for small businesses to reach out to their employees and provide them with a pension.

In addition, the bill creates a new tax credit that's aimed primarily at workers who do not have a pension plan available to them, to encourage them to save for those years one step away from poverty.

Only one-third of families with incomes under $25,000 are saving for retirement either through a pension plan or in an IRA. This compares with 85 percent of families with incomes over $50,000 who are saving for retirement.

We clearly need to provide an incentive for those families who aren't saving right now, and the individual savings credit included in the Grassley-Baucus bill will provide that incentive. A couple with a joint income of $30,000 is eligible for a 50% tax credit for the amount that they save each year, for savings of up to $2000. People with higher incomes get a smaller match, up to a joint income of $50,000.

According to the Joint Tax Committee, over 8 million families will be eligible for the individual savings credit. This will provide a strong incentive for these families to begin setting aside money to defray the administrative burdens on America's small businesses.

We have come here today, from both sides of the aisle, to ensure that future generations have a strong and viable retirement security system.

Retirement today is a much different prospect than it was a generation ago. Retirees can expect to live much longer. Their health care needs are different and they are much more likely to need long-term care.

Planning for retirement has also changed. Thirty years ago retirement planning consisted of picking an employer with a good pension plan and sticking with that company for 30 years. Traditional pensions, with their clockwork monthly checks in return for a defined term of service, are becoming nostalgic memories. Increasingly, employers are turning to defined contribution plans—401(k)s and the like.

For example, twenty-five years ago nearly 31 million American workers were covered by a pension plan. Of
those, 87 percent had a defined benefit plan, according to the Department of Labor. Today, less than one-half of working men and women have a defined benefit plan, while 54 percent are covered by a defined contribution plan.

An employee with a 401(k) account can count on getting only one thing each month—a statement tracking account investments that rise and fall with financial markets. The burden of ensuring that there are sufficient assets in their 401(k) plans falls upon them.

And these are the lucky workers. Many employers—small businesses in particular—do not offer any kind of employer-sponsored retirement plan. Workers at these businesses are left to fend for themselves.

Records from the Social Security Administration illustrate the importance of each component of retirement income. 38 percent of retirees’ income came from Social Security, 19 percent from employer-sponsored savings plans or pensions, and 19 percent from savings. The rest was unidentified income or earnings from work.

Clearly, Social Security alone is not sufficient basis for a solid retirement plan. Adequate retirement security these days involves planning and coordinating three principal sources of income: Social Security, employer-based pensions and personal savings.

Pensions and personal savings will make up an ever-increasing part of retirement security. Today, if a worker retires with no savings and no pension, nearly 40 percent of his/her retirement income is lost. Even as retirees are becoming more heavily reliant on pensions, statistics show that 45 million workers, according to the Internal Revenue Service. The solution: our bill eliminates this barrier to retirement-account portability and so the major benefit of defined-contribution plans are often rendered unusable. Workers changing jobs are often given their savings back in a lump sum that doesn’t always make it back into an Individual Retirement Account or their new employer’s 401(k). The result is that retirement savings get spent before retirement.

Our bill provides a solution to this problem. It allows employees to roll one retirement account into another as they move from job to job so that when they retire, they will have one retirement account. It’s easier to monitor, easier to administrate: figuring out how much money to contribute to the company’s plan. It’s a complex formula of facts, statistics and assumptions. We want to be able to save to plans that have no problem with underfunding: to help make these calculations, you can use the prior year’s data to help make the proper contribution.

We have a common sense remedy to one of the most vexing problems in pension administration: figuring out how much money to contribute to the company’s plan. It’s a complex formula of facts, statistics and assumptions. We want to be able to say to plans that have no problem with underfunding: to help make these calculations, you can use the prior year’s data to help make the proper contribution.

The result is that retirement savings get spent before retirement.

To achieve this goal, we focused on six areas: simplification, portability, expanded coverage for small businesses, pension security and enforcement, women’s equity issues, and expanding retirement planning and education opportunities.

This legislation benefits both employers and workers. Employers get simpler pension systems with less administrative burden, and more loyal employees. And workers build secure retirement and watch their savings accumulate over years of work.

A large section of this legislation deals with expanded coverage for small businesses. It’s such an important component of this bill because small businesses have the greatest difficulty achieving retirement security.

The problem: statistics indicate that only a small percentage of workers in firms of less than 100 employees have access to a retirement plan. We take a step forward in eliminating one of the first hurdles that a small business faces when it establishes a pension plan. On one hand, the federal government encourages these businesses to establish pension plans. Yet on the other hand, they turn around and charge the small business, at times, up to one thousand dollars to register their plan with the Internal Revenue Service.

The solution: our bill eliminates this fee for small businesses. We need to encourage small businesses to start plans, not discourage them with high registration fees.

This legislation also addresses the inadequacy of retirement security for women and families. Generally speaking, women live longer than men, and therefore, need greater savings for retirement. Yet our pension and retirement laws do not reflect this. Women are more mobile than men, moving in and out of the workforce due to family responsibilities; thus, they have less of a chance to become vested. Our legislation offers a solution—shrinking the five-year vesting cycle to a three-year cycle.

As I mentioned earlier, the current U.S. worker will have seven different employers over their lifetime. We have the possibility of creating a generation of American workers who will retire with many small accounts—creating a complex maze of statements and features, different for each account. This is a problem—pensions should be portable.

Unfortunately, our tax laws contain barriers to retirement-account portability and so the major benefit of defined-contribution plans are often rendered unusable. Workers changing jobs are often given their savings back in a lump sum that doesn’t always make it back into an Individual Retirement Account or their new employer’s 401(k).

One solution to this dilemma is regular and easy to read benefit statements from employers reminding workers early in their career of the importance of retirement savings. These statements would clarify what benefits...
workers are accruing. With this information, each American will more easily be able to determine the personal savings that need in order to build a sound retirement.

The new retirement paradigm requires Congress and individual workers to re dedicate themselves to the goal of retirement security. If we fail, the consequences will be harsh. That's particularly true in Florida, a popular retirement destination that could be devastated by an influx of seniors inadequately prepared for their retirement.

While Florida would be hit first, the nation as a whole will eventually feel the pain as the population ages faster than the workforce. To those who would suggest this is the distant future, remember how far high school seemed when you were in the sixth grade, how 30 seemed eons from 25, and how we once thought our parents would be young and healthy forever.

With the introduction of this legislation today it is my goal to ensure that each new job works harder and the thirty or forty years has gotten every opportunity for a secure and comfortable retirement.

I thank my colleagues who have worked so hard with me on this measure, and ask for the support of those in this Chamber on this important legislation.

Mr. HATCH. Mr. President, I rise today to express my support for the Retirement Security and Savings Act of 2001, and I am pleased to once again join my colleagues as an original co-sponsor of this important legislation. Enactment of this bill would encourage more businesses to offer pension plans to their employees by simplifying the complex and burdensome pension rules they face and would also make it easier for employees to save for their own retirement.

I want to congratulate my colleague, the chairman of the Finance Committee, Senator GRASSLEY, for his effective and persistent leadership on this issue. Senators GRASSLEY, BAUCUS, GRAHAM, and JEFFFORDS, along with myself and several other Senators, have been working on enactment of a bipartisan pension simplification and retirement security bill for several years now. These efforts led to the successful passage of a bipartisan package of such provisions in the Taxpayer Refund and Reform Act of 1999, which was unfortunately vetoed by President Clinton. We again came close to the goal line last year when the Finance Committee reported out a bill containing similar provisions. The ultimate objective of enactment has been elusive, however. Introduction of this legislation today is the first step of what I hope will be the successful completion to this long quest.

However, I have some serious concerns with some changes that were made to the bill being introduced today, compared with earlier versions. Specifically, important changes to the retirement rules that affect small businesses have been left out. Let me explain.

Today’s pension laws are complicated and cumbersome and a deterrent to small businesses wanting to establish a retirement plan. In 1996, Congress began the job of pension simplification when it passed the Small Business Job Protection Act. This Act contained important changes to our pension laws, including two simplification provisions important to small and family-owned businesses—an exemption from costly nondiscrimination testing for 401(k) plans that meet certain safe harbors, such as providing a minimum level of benefits to non-highly paid employees, and thus passed, the complex and duplicative family aggregation rules.

Unfortunately, these changes did not apply to the top-heavy rules. The top-heavy rules are additional testing and minimum benefit requirements aimed at ensuring that owner-annuitant plans do not discriminate against lower-paid workers. Due to their design, top-heavy rules generally only affect business with fewer than 100 employees.

I recognize the need to protect lower-paid employees from discrimination in the design of retirement plans. However, the top-heavy rules can be duplicative and especially harmful in that they discourage small employers from establishing pension plans because they add to the cost and administrative burden of sponsoring a plan. In the end, rules like these that were designed to protect employees can end up harming them by leaving them with no employer-provided retirement coverage. Importantly, nondiscrimination rules have been strengthened over the years since the enactment of the top-heavy rules, and are further strengthened by the provisions of the bill being introduced today. Therefore, eliminating these duplicative top-heavy rules would not leave workers unprotected. It would, however, remove a disincentive for small employers to sponsor a retirement plan.

H.R. 1102, the pension simplification bill that was enacted by Representatives and the Finance Committee last year with broad bipartisan support, as well as H.R. 10, this year's version of the so-called Portman-Cardin bill recently introduced in the House, contain two important provisions that were left out of the bill being introduced today. These two omitted provisions would exempt safe harbor 401(k) plans from the top-heavy rules and remove the family aggregation requirement from the top-heavy rules.

First, the 401(k) safe harbor provides exactly what the top-heavy rules attempt to do—guarantee that non-highly paid workers get a minimum level of benefits and are not discriminated against. In return, employers can avoid costly and duplicative testing. Congress provided the safe-harbors to encourage small employers to create new pension plans and provide more generous benefits to employees. However, because qualification for the safe harbor rules that exclude the top-heavy rules, the fear of costly testing can be a serious deterrent to businesses wishing to take advantage of the safe harbor, even if the plan satisfies the minimum benefit requirements. Thus, in order to provide certainty and encouragement to small businesses, 401(k) plans that meet the safe harbor rules should also be exempt from top-heavy testing.

Second, as was noted by Congress in 1996, the family aggregation rules are complex and unnecessary in light of the numerous other provisions that protect against pension plans disproportionately favoring high-paid workers. Moreover, requiring the aggregation of family members when testing pension plans imposes undue restrictions on the ability of a family-owned business to provide adequate retirement benefits for all members of the family working for the business. Therefore, Congress should complete the task of easing this burden on family-owned businesses by removing the family aggregation requirement from the top-heavy rules.

On the whole I support the legislation we are introducing today. It would go a long way toward increasing the retirement security for millions of Americans. However, I am disappointed that these two provisions, along with several others, were dropped from the bill. These two provisions are particularly important tools in the effort to expand employee retirement coverage by encouraging small businesses to establish pension plans. As pension reform legislation makes its way through the legislative process, I will work to try to restore these provisions so that small family-owned businesses will have more certainty and confidence and fewer unnecessary burdens and costs when establishing pension plans for their workers.

By Mr. REED (for himself, Mrs. CLINTON, and Mr. SCHUMER):

S. 743. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

Mr. REED. Mr. President, today I am introducing legislation along with my colleague Senator CLINTON, that establishes a Medical Education Trust Fund to support America's 141 medical schools and 1,230 graduate medical education positions.

These institutions are national treasures, they are the very best in the world and deserve explicit and dedicated funding to guarantee that the
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United States continues to lead the world in the quality of its medical education and its health care delivery system.

The Medical Education Trust Fund Act, METFA, of 2001 recognizes the need to begin moving away from existing medical education payment policies. The primary and immediate purpose of the legislation is to establish as Federal policy that medical education is a public good that all sectors of the health care system must support. This bill ensures that public and private insurers share the burden of financing medical education equitably. As such, METFA will be funded through three sources: a 1.5 percent assessment on health insurance premiums, Medicare, and Medicaid. The relative contribution from each of these sources is in proportion to the medical education costs attributable to their respective covered populations.

GME is increasingly becoming hostage to fights over larger questions about the solvency and design of the Medicare system. The very commission entrusted to protect the integrity of the Medicare program, MedPAC, itself has succumbed to political and ideological pressures by recommending that the GME program be removed from the Health Insurance Trust Fund and thrown into the appropriations process. I cannot stress strongly enough how important it is to reject this recommendation. To subject GME to the annual appropriations process does nothing more than to put a vital and indispensable part of our health care, and the training of tomorrow’s physicians, at the disposal of the political process. I urge my colleagues to reject this dangerous notion and instead call on all of you to support the concept embodied in this bill.

This legislation, METFA, is not my innovation. It is an idea pioneered by our former colleague, Senator Moynihan. This bill recognizes that medical education is the responsibility of all who benefit from it and must therefore share in the responsibility to support it. As Senator Moynihan once said “medical education is one of America’s most precious public resources.” He understood that despite the increasingly competitive health care system of our time, that medical education was a public good, that is, “a good from which we all benefit, but for which no one is willing to pay.”

Some health reformers argue that in fact, GME does not meet the requirements of a public good and that therefore, an all-payer system is nothing more than a form of taxation. I beg to differ. Health care is not a commodity. While we can and should rely on competition to hold down costs in much of the health system, we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by this country’s exceptionally well trained health professionals and superior medical schools and teaching hospitals. Indeed, through the NIH and the tax code we have successfully and robustly, subsidized the development of new wonder drugs, and I certainly don’t think anyone is suggesting that we change this policy, my legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical schools.

The legislation we introduce today is only the beginning. It establishes the principle that, as a public good, medical education should be supported by a stable, dedicated, long-term source of funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a Medical Education Advisory Commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following: alternative and additional sources of medical education financing; alternative methodologies for financing medical education; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the appropriate role of medical schools in graduate medical education; policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals, including children’s hospital.

The services provided by our nation’s teaching hospitals and medical schools, groundbreaking research, highly skilled medical care, and the training of tomorrow’s physicians, are vitally important and must be protected in this time of intense economic competition in the health system. 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. 743

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

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.
(a) SHORT TITLE.—This Act may be cited as the “Medical Education Trust Fund Act of 2001.”

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:
Sec. 1. Short title; table of contents.

Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to Medicare program.
Sec. 4. Amendments to Medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XXI the following new title:

“TITLE XXII—MEDICAL EDUCATION TRUST FUND

"Sec. 2201. Establishment of Trust Fund.
Sec. 2202. Payments to medical schools.
Sec. 2203. Payments to teaching hospitals.

"SEC. 2201. ESTABLISHMENT OF TRUST FUND.

(a) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the ‘Trust Fund’), consisting of the following accounts:

(1) The Medical School Account.

(2) The Medicare Teaching Hospital Indirect Account.

(3) The Medicare Teaching Hospital Direct Account.

(4) The Non-Medicare Teaching Hospital Indirect Account.

(5) The Non-Medicare Teaching Hospital Direct Account.

Each such account shall consist of such amounts as are allocated and transferred to such account under this title. Amounts in such accounts shall remain available until expended.

"(b) EXPENDITURES FROM TRUST FUND.—Amounts in the accounts of the Trust Fund are available to the Secretary for making payments under sections 2202 and 2203.

"(c) INVESTMENT.—The Secretary of the Treasury shall invest amounts in the accounts of the Trust Fund which the Secretary determines are not required to meet current withdrawals from the Trust Fund. Such investments may be made only in obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

"(d) SALE OF OBLIGATIONS.—The Secretary of the Treasury may sell at market price any obligations acquired under paragraph (1).

"(e) AVAILABILITY OF INCOME.—Any interest derived from obligations held in each such account, and proceeds from any sale or redemption of such obligations, are hereby appropriated to such accounts.

"(f) MONETARY GIFTS TO TRUST FUND.—There are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government which are transferred to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the proportion that the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

"SEC. 2202. PAYMENTS TO MEDICAL SCHOOLS.

(a) FEDERAL PAYMENTS TO MEDICAL SCHOOLS FOR CERTAIN COSTS.

(1) IN GENERAL.—In the case of a medical school that in accordance with paragraph (2) submits to the Secretary an application for fiscal year 2002 or any subsequent fiscal year, the Secretary shall make payments for such year to the medical school for the purpose
specified in paragraph (3). The Secretary shall make payments to the Medical School Account in an amount determined in accordance with subsection (b), and may administer the payments as a contract, grant, or cooperative agreement.

(9) APPLICATION FOR PAYMENTS.—For purposes of paragraph (1), an application for payments under such paragraph for a fiscal year is in accordance with this paragraph if—

(A) the medical school involved submits the application not later than the date specified by the Secretary, and

(B) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

(3) PURPOSE OF PAYMENTS.—The purpose of payments under paragraph (1) is to assist medical schools in maintaining and developing an increasingly competitive health care system.

(4) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

(A) IN GENERAL.—Subject to the annual adjustments and transfers to the Medical School Account under sections 1886(m), 1936, and section 2201(d), and section 4503 of the Internal Revenue Code of 1986, amounts for a fiscal year shall be available as follows:

(1) In the case of fiscal year 2002, $200,000,000.

(2) In the case of fiscal year 2003, $300,000,000.

(3) In the case of fiscal year 2004, $400,000,000.

(4) In the case of fiscal year 2005, $500,000,000.

(5) In the case of fiscal year 2006, $600,000,000.

(F) In the case of each subsequent fiscal year, the amount determined under this paragraph for the previous fiscal year updated through the midpoint of such previous fiscal year by the estimated percentage change in the general health care inflation factor (as defined in section 5701(x)(a)(8) of the Code). The amounts determined under subparagraph (d) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimates or overestimates under such subparagraph in the projected health care inflation factor.

(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (a)(2) is an amount equal to an amount determined by the Secretary in accordance with paragraph (B).

(B) DEVELOPMENT OF FORMULA.—The Secretary shall develop a formula for allocation of funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

(c) MEDICAL SCHOOL DEFINED.—For purposes of this section, the term ‘medical school’ means a school of medicine (as defined in section 7801 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

(d) GENERAL HEALTH CARE INFLATION FACTOR.—The term ‘general health care inflation factor’ means the Consumer Price Index for All Urban Consumers for Medical Services as determined by the Bureau of Labor Statistics.

SEC. 2203. PAYMENTS TO TEACHING HOSPITALS.

(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 2001, the Secretary shall make payments to each eligible entity for a fiscal year under this section, if—

(A) the medical school involved submits an application to the Secretary under paragraph (2), submits to the Secretary an application for such fiscal year, such payments will be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall equal the sum of the amounts determined under subsections (b), (c), and (d) to such entity.

(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as is necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. An application shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary shall prescribe in accordance with applicable Federal law regarding Federal payments.

(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

(b) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIrect ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account for such fiscal year under section 1886(h)(2), and subsections (c)(3) and (d) of section 2201 for such fiscal year.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made to the eligible entity for fiscal year under section 1886(h) if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

(3) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

(A) such payments had not been terminated for discharges occurring after September 30, 2001; and

(B) such payments were computed in a manner that treated each patient not eligible for benefits under this title as if such patient were eligible for such benefits.

(c) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1936(h) if—

(A) such payments had not been terminated for cost reporting periods beginning after September 30, 2001; and

(B) such payments were computed in a manner that treated each patient not eligible for benefits under part A of title XVIII as if such patient were eligible for such benefits.

(d) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1936, subsections (c)(3) and (d) of section 2201, and section 4503 of the Internal Revenue Code of 1986.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1936(h) if—

(A) such payments had not been terminated for cost reporting periods beginning after September 30, 2001; and

(B) such payments were computed in a manner that treated each patient not eligible for benefits under this title as if such patient were eligible for such benefits.

(e) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account for such fiscal year under section 1886(h), subsections (c)(3) and (d) of section 2201, and sections 4503 and 4504 of the Internal Revenue Code of 1986.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

(A) such payments had not been terminated for discharges occurring after September 30, 2001; and

(B) such payments were computed in a manner that treated each patient not eligible for benefits under this title as if such patient were eligible for such benefits.

(f) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account for such fiscal year under section 1886(h), subsections (c)(3) and (d) of section 2201, and sections 4503 and 4504 of the Internal Revenue Code of 1986.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

(A) such payments had not been terminated for cost reporting periods beginning after September 30, 2001; and

(B) such payments were computed in a manner that treated each patient not eligible for benefits under part A of title XVIII as if such patient were eligible for such benefits.

(3) AMENDMENTS TO MEDICARE PROGRAM.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by striking “The Secretary shall provide” and inserting the following: “For discharges occurring before October 1, 2001, the Secretary shall provide”;

(2) in subsection (d)(11)(C), by inserting after “paragraph (5)(B)” the following: “(notwithstanding that payments under paragraph (5)(B) are terminated for discharges occurring after September 30, 2001)”;

(3) in subsection (h)—

(A) in paragraph (1), in the first sentence, inserting “the Secretary shall provide” and inserting “the Secretary shall, subject to paragraph (7), provide”; and
(b) by adding at the end the following:

"(7)umerator in subsection (a)(2) shall be paid by the person providing services to an individual who has a condition or disability which necessitates the individual to receive any of the services described in a previous subparagraph.

(3) Services furnished in an institution for mental diseases (as defined in section 1905(d)).

(c) Entitlement.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to the Non-Medicare Teaching Hospital Indirect Account, the Non-Medicare Teaching Hospital Direct Account, and the Medical School Account of amounts determined in accordance with subsections (a) and (b).

(b) Effective date.—The amendment made by subsection (a) shall take effect on October 1, 2001.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) General Rule.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding after section 36 the following new chapter:

"CHAPTER 37—HEALTH RELATED ASSESSMENTS

Subchapter A. Insured and self-insured health plans.

Subchapter B.—Insured and Self-Insured Health Plans.

"Sec. 4501. Health insurance and health-related administrative services.

"Sec. 4502. Self-insured health plans.

"Sec. 4503. Transfer to accounts.

"Sec. 4504. Definitions and special rules.

"SEC. 4501. HEALTH INSURANCE AND HEALTH-RELATED ADMINISTRATIVE SERVICES.

(a) Imposition of Tax.—There is hereby imposed—

"(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received under such policy, and

"(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount received.

(b) Liability for Tax.—

"(1) HEALTH INSURANCE.—The tax imposed by subsection (a)(1) shall be paid by the issuer of the policy.

"(2) HEALTH-RELATED ADMINISTRATIVE SERVICES.—The tax imposed by subsection (a)(2) shall be paid by the person providing the health-related administrative services.

(c) TAXABLE HEALTH INSURANCE POLICY.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term ‘taxable health insurance policy’ means any insurance policy providing accident or health insurance policy under which

"(2) Exemption of Certain Policies.—The term ‘taxable health insurance policy’ does not include any insurance policy if substantially all of the coverage provided under such policy relates to—

"(A) liability incurred under workers’ compensation laws,

"(B) tort liability,

"(C) liabilities relating to ownership or use of property,

"(D) credit insurance, or

"(E) any other similar liabilities as the Secretary may specify by regulation.

"(3) Special Rule Where Policy Provides Other Coverage.—In the case of any taxable health insurance policy, the amount which is payable other than for accident or health coverage, in determining the
section (a) shall be paid by the plan sponsor.

(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and (B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium paid under such policy shall be subject to such tax, if—

(A) the policy is an insured policy; or

(B) the policy is an uninsured policy.

"(2) PLAN SPONSOR.—For purposes of this subsection—

(A) the employer in the case of a plan established or maintained by 2 or more employers or jointly by 1 or more employers and 1 or more employee organizations,

(B) a voluntary employees’ beneficiary association section under section 501(c)(9), or

(C) any other association plan, the association, committee, joint board of trustees, or other representative group of representatives of the parties who establish or maintain the plan.

"(c) APPLICABLE SELF-INSURED HEALTH PLANS.—In determining accident or health coverage expenditures under such plan, the term ‘applicable self-insured health plan’ means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

"(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan to the extent such expenditures are not subject to tax under section 4501.

"(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements by or otherwise received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

"(3) CERTAIN EXPENDITURES DISREGARDED.—Paragraph (1) shall not apply to any expenditures for the acquisition or improvement of land or for the acquisition or improvement of facilities in connection with an applicable self-insured health plan, or for the provision of accident or health coverage which is subject to the allowance for such coverage for periods prior to the total amounts transferred under such program or on any amount received for health-related administrative services pursuant to such program.

"(4) PREMIUM.—The term ‘premium’ means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 4501(c)).

"(5) INSURANCE POLICY.—The term ‘insurance policy’ means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

"(6) UNITED STATES.—The term ‘United States’ includes any possession of the United States.

"(b) DESCRIPTION OF ARRANGEMENTS.—An arrangement is described in this subparagraph if under such arrangement—

(A) the employer in the case of a plan established or maintained by a single employer or employee organization, or

(B) the plan sponsor is an intermediary in the relationship between the plan provider and the individual beneficiaries of such plan.

"(c) A PPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this paragraph, the term ‘applicable self-insured health plan’ means any plan established or maintained by a single employer or employee organization, or

"(d) TREATMENT OF GOVERNMENTAL ENTITIES.—For purposes of this paragraph, the term ‘governmental entity’ means—

(A) the United States, or

(B) any State, political subdivision, agency, or instrumentality of any such entity, and

(C) any instrumentality of any such entity, and

(D) any instrumentality of any such entity, and

(E) any instrumentality of any such entity, and

(F) any instrumentality of any such entity, and

(G) any instrumentality of any such entity, and

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(T) any instrumentality of any such entity, and

(U) any instrumentality of any such entity, and

(V) any instrumentality of any such entity, and

(W) any instrumentality of any such entity, and

(X) any instrumentality of any such entity, and

(Y) any instrumentality of any such entity, and

(Z) any instrumentality of any such entity, and

(a) IMPOSITION OF TAX.—In the case of any arrangement described in subparagraph (b), the tax hereby imposed a tax for each month equal to 1.5 percent of the sum of—

"(1) IN GENERAL.—The tax imposed by subsection (c) shall be paid by the plan sponsor.

"(2) PLAN SPONSOR.—For purposes of paragraph (1), the term ‘plan sponsor’ means—

(A) the employer in the case of a plan established or maintained by a single employer, or

(B) the employee organization in the case of a plan established or maintained by an employee organization, or

(C) in the case of—

(d) accident or health coverage expenditures, such person or the provider of such services.
SEC. 6. MEDICAL EDUCATION ADVISORY COMMISSION.

(a) Establishment.—There is hereby established an advisory commission to be known as the Medical Education Advisory Commission (in this section referred to as the “Advisory Commission”).

(b) Duties.—

(1) In general.—The Advisory Commission shall—

(A) conduct a thorough study of all matters relating to—

(i) the operation of the Medical Education Trust Fund established under section 2201 of the Social Security Act (as added by section 2);

(ii) alternative and additional sources of graduate medical education funding;

(iii) alternative methodologies for compensating teaching hospitals for graduate medical education;

(iv) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(v) the role of medical schools in graduate medical education;

(vi) policies designed to expand eligibility for graduate medical education payments to children’s hospitals that operate graduate medical education programs; and

(vii) policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals;

(B) develop recommendations, including the use of demonstration projects, on the matters studied under subparagraph (A) in consultation with the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 2003, submit an interim report to the Committee on Finance of the House of Representatives, and the Committee on Ways and Means of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate; and

(D) not later than January 2005, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Ways and Means of the Senate.

(2) Service beyond term.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member if the Secretary determines to be appropriate.

(c) Limitation.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by the amendments made by this Act.

SEC. 7. DEMONSTRATION PROJECTS.

(a) Establishment.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under section 6(b)(1)(B).

(b) Funding.—

(1) In general.—For any fiscal year after 2001, amounts in the Medical Education Trust Fund under title XXII of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) Funds available.—

(A) Limitation.—Not more than one percent of the amounts described in subparagraph (B) shall be available for the purposes of paragraph (1).

(B) Allocation.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2201(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts from the Trust Fund under title XXII of the Social Security Act, to the extent permitted by such law.
these funding needs themselves. However, as Senator Moynihan also pointed out, New York State’s GME fund was created as a temporary solution until a Federal fund could be created.

I urge my colleagues in joining me with their support for this critical investment in our teaching hospitals so that they can continue to lead the world in training highly-qualified medical professionals, and generating the state-of-the-art research and treatment that enables our nation’s health care system to flourish.

By Mrs. HUTCHISON (for herself, Mr. LIEBERMAN, and Mr. FEINGOLD):

S. 744. A bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate new IRS reporting and return requirements for State and local candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I am pleased to introduce today a bill with Senators LIEBERMAN and FEINGOLD that would address a concern that has been raised by state legislators in Texas and across the country.

Last year Congress enacted the Full and Fair Political Activities Disclosure Act of 2000, Public Law 106–230, a law that imposed new IRS reporting requirements on political organizations claiming tax-exempt status under section 527 of the Internal Revenue Code. The purpose of this law was to uncover so-called “stealth PACs,” tax-exempt groups which, prior to the enactment of this law, did not have to disclose any contributions or expenditures and were free to influence elections in virtual anonymity.

While Public Law 106–230 was intended to target “stealth PACs,” it has had the unintended consequence of imposing burdensome and duplicative reporting requirements on state and local candidates who are not involved in any Federal election activities. In many states like Texas, State and local candidates already file detailed reports with their state election officials.

I originally intended to offer this legislation as an amendment to S. 27, the McCain-Fechold campaign finance bill. Unfortunately, since this particular legislation impacts the Internal Revenue Code, I was unable to offer it at that time without the possibility of invoking a blue slip from the Ways and Means Committee.

Last week I spoke with the chairman of the Ways and Means Committee about this issue, and he assured me that he would seek to address this issue in his committee. In this vein, I would like to ask the Senator from Iowa, the chairman of the Finance Committee, if he also will work with me to address this problem in the context of the tax bill this year.

Mr. GRASSLEY. Yes, I would be pleased to work with the Senator from Texas on this matter, and pledge my good faith to give serious consideration to including language that meets her concerns in an appropriate tax bill in the near future.

Mrs. HUTCHISON. I’d like to thank the distinguished chairman of the Finance Committee, and that actuates its purpose, but does not open any loopholes in the original section 527 reform law.

Last year, Congress passed the first significant campaign finance reform measure in a quarter of a century. The so-called section 527 reform bill dealt with a truly troubling development, one whereby organizations that received tax-exempt status by telling the IRS that they existed to influence elections denied the very same thing to the FEC. As a result, these self-proclaimed election organizations engaged in election activity without complying with any aspect of the election laws, influencing our elections without the American public having any idea who, or what, was behind them.

Our law put a stop to that, by requiring organizations claiming tax-exempt status under section 527 of the Internal Revenue Code to do three things: 1. give notice of their intent to claim that status; 2. disclose information about their large contributors and their big expenditures; and 3. file annual informational returns along the lines of those filed by virtually all other tax-exempt organizations.

During the next months or so that the 527 reform law has been in effect, that law has blasted sunshine onto the previously shadowy operations of a multitude of election-related organizations. Through the filings mandated by that law, the American public has learned a great deal about who is financing many of these organizations and how these organizations are spending their money.

But the law has had another impact, and that is to impose new reporting requirements on a group of organizations that already fully disclose to the public all of the activities covered by the 527 reform law. This bill gives relief to those organizations. In particular it grants relief from the 527 reform law to two general categories of organizations that are involved exclusively in State and local elections and that already fully disclose their activities. I thank my colleagues from Texas for working with me to ensure that we accomplish that goal without opening any loopholes in the 527 reform law that will allow undisclosed money to reenter our election system.

First, the bill provides new exemptions for State and local candidate committees. Under the reform law, committees of candidates for State or local office have to notify the IRS of their intent to claim section 527 status, and they have to file annual informational returns if they have over $25,000 in gross receipts. Since the reform law went into effect, we have become convinced that the burden these requirements impose on State and local candidate committees outweigh the public purpose served by requiring them to comply with these mandates.

In contrast to other types of political committees, State and local candidate committees often are not permanent organizations. They often crop up a few months before an election and then cease to exist shortly after the election. They are often staffed by volunteers and run on a shoe string budget. Any new paperwork requirement—regardless of how reasonable it may be in other contexts—can put a significant burden on these minimally staffed and often short-lived committees.

At the same time, State and local candidate committees do not pose the threats the 527 law intended to address. In contrast to other political committees, there is never any doubt as to who is running the candidate committee and as to whose agenda the candidate committee aims to promote. Just as importantly, State laws regulate and require disclosure from all candidate committees.

We therefore have concluded that even though we do not believe the 527 reform law’s mandates to be particularly burdensome in general, State and local candidate committees present a special case, one that warrants exempting them from the reform law’s requirements to file a notice of intent to claim section 527 status and to file an annual return even if the organization does not have taxable income. I note, though, that these organizations still will have to file and make public annual returns if they have taxable income.

The second group to which we are granting a lesser degree of relief is a very carefully defined group of so-called State and local PACs. In granting this relief, we have walked a very fine line. On one hand, we want to recognize the fact that every State requires disclosure from political committees involved in that State’s elections and that many State and local...
PACs covered by the 527 reform law therefore are already disclosing the information the 527 law seeks to State agency. On the disclosure requirement, I believe that there is a strong public interest in knowing how the federal tax-exemption under section 527 is being used by these organizations, and we most decidedly do not want to exempt from the law’s disclosure requirement any State or local PAC that does not otherwise publicly disclose all of its activities.

To exempt a State or local PAC merely because it claims that it is involved only in State elections and files information about some of its activities with a State agency would risk creating a massive loophole that could undermine the 527 reform law. That is because just as prior to the passage of the tax-exclusion, we were convinced that these groups were claiming that they were trying to influence elections for the purposes of the tax code, but not for the purposes of the election laws, a broad exemption for State or local PACs could lead some groups to claim that they are merely engaging in exclusively State elections for the purposes of section 527 but not for the purposes of the State disclosure laws.

So, we have reached the following compromise. First, we are not exempting any of these organizations from the section 527(i) notice requirements. Unlike candidate committees, PACs generally are not transient, volunteer-staffed organizations, and it is not always clear to the public who is behind these groups. Moreover, because we are not completely exempting these groups from the law’s other disclosure requirements, the notice requirement will be critical in helping the IRS and outside groups monitor compliance with the law’s other mandates. In light of that, we believe the minimal effort required to file the 527(i) notice is worth the tremendous value of giving the public some basic information about these groups.

Second, we are granting an exemption from the section 527(j) contribution and expenditure reporting requirements to some of these organizations, but only if they can meet certain strict requirements. The group’s so-called exempt function activity must focus exclusively on State or local elections. The group must file with a State agency information on every contribution and expenditure it would otherwise be required to disclose to the IRS. In addition, these State filings must be pursuant to a State law that requires these groups to file the State reports; this requirement seeks to prevent organizations from hiding truly federal activity by voluntarily reporting to a State where reports may not be as readily accessible. On our federal reports, Moreover, no group will be able to take advantage of this exemption if the State reports its files are not publicly available both from the State agency with which the report is filed and from the group itself. Finally, this exemption also is not available to any organization, regardless of whether or not the federal office or someone who holds elected federal office plays a role—whether through helping to run the organization, soliciting money for the organization or deciding how the organization spends its money. In short, this bill exempts from 527(j) reporting obligations only those groups that truly and legiti-

mately engage in exclusively State and local activity and only when they already report publicly on all of the information the 527 law seeks.

Finally, the bill makes a small change to these State and local groups’ obligation to file an annual information return when they do not have taxable income. Under the current law, they must file such returns when they have $25,000 in annual receipts; the bill increases that trigger to $100,000. Like all other 527 organizations, though, they still will have to file such returns if they have taxable income.

Again, thank Senator HUTCHINSON for her efforts on this bill. I believe we have worked out a good compromise, one that grants relief where it is warranted, but does not in any way threaten to open up a loophole in the law. I thank her for that, and I yield the floor.

Mr. FEINGOLD. Mr. President, I am pleased to join Senators HUTCHINSON and LIEBERMAN in cosponsoring this bill.

Our enactment of the 527 disclosure legislation last year was an important step toward breaking the logjam on campaign finance reform. It showed that we could come together in Congress to pass commonsense reforms that give the public more information about and more confidence in the political process. Since that law went into effect, we have heard legitimate complaints from state and local candidates and PACs, which are in fact exempt from taxation under section 527 of the Internal Revenue Code, about the burden of complying with the notification and reporting requirements of the law.

Senator HUTCHINSON brought this issue to the fore by offering an amendment to the campaign finance bill that was passed on Monday. I very much appreciated her willingness to withdraw that amendment so we could work out the details together and avoid creating a blue-slip problem with the House that might delay the overall campaign finance bill.

The challenge was to address the legitimate concerns raised by state candidates and PACs without opening new loopholes in the law so soon after its enactment. Particularly as we stand poised to enact even more far-reaching reforms in the McCain-Feingold bill, it is extremely important that we not weaken existing law in a way that might be exploited by groups wanting to avoid the sunshine that the 527 disclosure law provided. I believe that the Senator from Texas and the Senator from Connecticut have succeeded in negotiating this difficult terrain. I am proud to support this bill, and I hope it will be quickly enacted.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mr. FEINGOLD, Mr. BINGAMAN, and Mr. DODD):

S. 745. A bill to amend the Child Nutrition Act of 1966 to promote better nutrition among school children participating in the school breakfast and lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, I am today producing a simple, yet forceful, bill designed to address a growing problem among school children. I am tired of major soft drink companies trying to take school lunch money away from children.

It is one thing for the school bully to take lunch money from school kids, it is another for Coca-Cola or Pepsi to take it. In some areas, school scoreboards and school uniforms are now plastered with soda ads under exclusive contracts with vending machines all over the place.

According to a report issued by the Center for Science in the Public Interest, 20 years ago boys consumed more than twice as much milk as soda, and girls consumed more; now boys and girls consume twice as much soft drink as they do milk.

I had a huge battle with Coca-Cola in 1994 when they tried to derail my child nutrition bill—"The Better Nutrition and Health for Children Act" because I wanted schools to know they had the right to ban soda vending machines if they chose.

That 1994 controversy began when Coca-Cola sent out letters to school authorities around the country misrepresenting my bill. They were resorting to scare tactics instead of honest debate. The letter sent by Coca-Cola made numerous false allegations including that soft drinks are USDA-approved. That was not, and is still not true.

The controversy now is over exclusive contracts with soda manufacturers so they get to blanket schools with soda vending machines and signs advertising their products. Also, in some schools sodas are actually being given away to children during lunch.

For schools participating in the national school lunch program I want the vending machines turned off during lunch on all school grounds. It is that simple. During lunch, I do not want sodas sold to school children by the school. And the Secretary of Agriculture should carefully consider, based on sound nutritional science, whether to turn off the soda vending machines and stop soft drink sales before lunch.

You don't have to be a scientist to know that eating habits learned in
By Mr. AKAKA (for himself and Mr. INOUYE):

S. 746. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition of the Native Hawaiian governing entity, and for other purposes; to the Committee on Indian Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce a bill with my friend and colleague, the senior Senator from Hawaii, Mr. INOUYE which would clarify the political relationship between Native Hawaiians and the United States. This measure would extend the federal policy of self-determination and self-governance to Native Hawaiians, thereby establishing parity in federal policies towards Native Hawaiians, Alaska Natives and American Indians.

The bill that I introduce today is a modified version of legislation we introduced on January 22, 2001. This modified version improves upon our efforts to clarify the political relationship between Native Hawaiians and the United States. Federal policy towards Native Hawaiians has traditionally paralleled that of our indigenous brothers and sisters, the Alaska Natives and American Indians. This bill provides a process for federal recognition of the Native Hawaiian governing entity for a government-to-government relationship with the United States.

This bill does three things. First, it provides a process for federal recognition of the Native Hawaiian governing entity. Second, it establishes an office within the Department of the Interior to focus on Native Hawaiian issues and to serve as a liaison between Native Hawaiians and the Federal government. Finally, it establishes an interagency coordinating group to be composed of representatives of federal agencies which administer programs and implement policies impacting Native Hawaiians.

This measure does not establish entitlements or special treatment for Native Hawaiians based on race. This measure focuses on the political relationship afforded to Native Hawaiians based on the United States' recognition of Native Hawaiians as the aboriginal, indigenous peoples of Hawaii. As we all know, the United States' history with its indigenous peoples has been dismal. In recent decades, however, the United States has engaged in a policy of self-determination and self-governance with its indigenous peoples. Government-to-government relationships provide indigenous peoples with the opportunity to work directly with the federal government on policies affecting their lands, natural resources and many other aspects of their well-being. While federal policies towards Native Hawaiians have paralleled that of Native American Indians and Alaska Natives, the federal policy of self-determination and self-governance, has not yet been extended to Native Hawaiians.

This bill does not impact program funding for American Indians and Alaska Natives. Programs for Native Hawaiian health, education and housing are already administered by the Departments of Health and Human Services, Education, and Housing the Urban Development. The bill I introduce today contains a provision which makes clear that this bill does not authorize eligibility for participation in any programs and services provided by the Bureau of Indian Affairs.

This bill does not authorize gaming in Hawaii. In fact, it clearly states that the Indian Gaming Regulatory Act, IGRA, does not apply to the Native Hawaiian governing entity. Hawaii is one of two states in the Union which criminally prohibits all forms of gaming. Therefore, I want to make clear that this bill would not authorize the Native Hawaiian governing entity to conduct any type of gaming in Hawaii.

Finally, this measure does not preclude Native Hawaiians from seeking alternatives in the international arena.
This measure focuses on self-determination within the framework of federal law and seeks to establish equality in the federal policies extended towards American Indians, Alaska Natives and Native Hawaiians.

We introduced similar legislation during the 106th Congress. While the bill was favored by the House of Representatives, the Senate failed to consider it prior to the adjournment of the 106th Congress. The legislation was widely supported by our indigenous brethren, American Indians and Alaska Natives. It was also supported by the Hawaii State Legislature which passed a resolution supporting a government-to-government relationship between Native Hawaiians and the United States. Similar resolutions were passed by the Japanese American Citizens League and the National Education Association.

Mr. President, when most people think of Hawaii, they think of paradise. I agree, it is paradise. However, the essence of Hawaii is captured not by the physical beauty of its islands, but by the beauty of its people. Those who have lived in Hawaii have a unique demeanor and attitude which is appropriately described as the “Aloha” spirit. The people of Hawaii demonstrate the Aloha spirit through their actions—through their generosity, through their appreciation of the environment and natural resources, through their willingness to care for each other, through their genuine friendliness.

The people of Hawaii share many ethnic backgrounds and cultures. This mix of culture and tradition is based on the unique history of Hawaii. The Aloha spirit is generated from the pride we have in the cultural beauty of its islands, but by the beauty of its people. Those who have lived in Hawaii have a unique demeanor and attitude which is appropriately described as the “Aloha” spirit. The people of Hawaii demonstrate the Aloha spirit through their actions—through their generosity, through their appreciation of the environment and natural resources, through their willingness to care for each other, through their genuine friendliness.

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Hawaiian Affairs to give expression to constitution to establish the Office of Hawaiian Affairs. In 1978, the people of Hawaii acted to give expression to the constitution to establish the Office of Hawaiian Affairs. This measure is not being introduced to circumvent the 1999 United States Supreme Court decision in the case of Rice v. Cayetano. The Rice case was a voting rights case whereby the Supreme Court held that the State of Hawaii must allow all citizens of Hawaii to vote for the Board of Trustees of a quasi-state agency, the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs was established by citizens of Hawaii as part of the 1978 State of Hawaii Constitutional Convention. The Office of Hawaiian Affairs administers programs and services for Native Hawaiians. The State constitution provided for nine trustees who were Native Hawaiian to be elected by Native Hawaiians. Following the Supreme Court’s ruling in Rice v. Cayetano, the elections were not only open to all citizens in the State of Hawaii, but non-Hawaiians were deemed eligible to serve on the Board of Trustees. Whenever the Rice case dealt with voting rights and the State of Hawaii, the measure we introduce today addresses the federal policy of self-determination and self-governance to Native Hawaiians. This measure is critical to the people of Hawaii as it begins a process to address many longstanding issues facing Hawaii’s indigenous peoples and the State of Hawaii. By addressing and resolving these matters, we begin a process of healing, a process of reconciliation not only within the United States, but within the State of Hawaii. The time has come for us to be able to address these deeply rooted issues in order for us to be able to move forward as one.

I cannot emphasize how important this measure is for the people of Hawaii. While Hawaii will always be known for its physical beauty, its true essence is in its people. The time has come to provide Hawaii’s indigenous peoples with the opportunity to engage in a government-to-government relationship with the United States. I look forward to working with my colleagues to enact this critical measure.

By Mrs. BOXER:

S. 747. A bill to authorize the Attorney General to make grants to local educational agencies to carry out school violence prevention and school safety activities in secondary schools; to amend title II of the Elementary and Secondary Education Act of 1965; and for other purposes.

Mr. President, we have seen three shootings and watched three children lose their lives in the past four weeks. Two of these were in my state of California; the latest shooting was in my colleagues’ state of Indiana. These shootings have been terrifying for all of us, children, parents, community members, and the nation as a whole. We must stop these acts of violence, now. We cannot wait for another young life to slip through our hands.

These incidents have reminded us that no place is safe from gun violence. Principals think about the safety of their schools every day; parents worry about school districts; teachers think about their children’s classrooms every day; and children walk to school unsure of their own safety every day. This is sad, but this is the reality.

Today I am proposing to change this reality. My bill reaffirms our commitment to school safety by creating a permanent School Safety Fund. This Fund will allow the Attorney General to provide grants to school districts so that they can create their own comprehensive school safety strategies, incorporating both violence prevention and school safety activities.

What might be included in these safety strategies?

Schools could establish hotlines and tiplines, so that students could anonymously report potentially dangerous situations. They could hire more community police officers and purchase security equipment. I would argue that all schools could use more counselors, psychologists, and school social workers. These funds will help hire them.

Schools could use the funds to train teachers and administrators to identify the early warning signs of troubled youth. They could also use the funds to teach our students conflict resolution programs, and to set up a mentoring program for students.

The bottom line is clear: each school needs to decide the extent of its problem, and decide what solution would be best for its community. My bill gives school districts the flexibility they need to deal with school safety, providing federal funds to attack school violence where it happens: in the schools.

This approach, in and of itself, is not a novel idea. Since 1999, the federal government has funded a program called “Safe Schools Initiative.” A collaboration between the Department of Justice, the Department of Education, and the Department of Health and Human Services, Safe Schools provides grants to school districts to do the activities I outlined above. In fact, 77 school districts have already been awarded funds. Why, then, is my bill necessary?
My bill does two important things. One, it writes this program into law. Currently, the Appropriations Committee, year-to-year whether to fund this initiative. This program is important—important enough to warrant an authorization. My amendment codifies these grants through fiscal year 2005. Secondary, and perhaps most important, my bill speaks to how these grants are funded. All funding would come directly from the Violent Crime Reduction Trust Fund. And rather than set a specific authorization level—rather than pull a number out of thin air and declare that number the ‘need’, my bill would give discretion to the Attorney General to decide how many grants should be awarded, and how much money each grantee should receive.

For example, under this program, the Attorney General has the flexibility to distribute grants as he sees fit. He does not have to wait for Congress to act, or watch as Congress fails to act. He can identify the need, and address it immediately. On the flip side, if school safety problems improve, as all of us hope, then the Attorney General can spend less on school safety. Again, it is up to his discretion.

You know as well as I do that school safety is a serious problem. We cannot simply stand by the wayside and allow violence to continue disrupting the lives of students and communities. My bill recognizes the widespread reach of these violent outbreaks, and tells communities that the federal government will not fall them. Communities are eager to protect their schoolchildren, and this bill will give them an opportunity to do so.

By Mrs. BOXER:
S. 748. A bill to make schools safer by waiving the local matching requirement under the Community Policing program for the placement of law enforcement officers in local schools; to the Committee on the Judiciary.

Mr. BOXER. Mr. President, last month there were two school shootings in my state. A mere seventeen days and six miles away from each other, they claimed the lives of two students and wounded eighteen others. These shootings were terrible articles for their communities, and a painful reminder of the fragile security of our nation’s schools.

To combat these tragic acts of violence, many schools employ safety strategies that protect the millions of children, teenagers and adults that attend them every single day. The federal government plays a role in many of these programs. My amendment speaks to one of them: COPS In Schools.

Although the COPS program in 1994, it was not until 1998 that the Department of Justice created a specific COPS In Schools program. Since then, nearly 3,800 police officers have been placed in 1,800 school districts across the nation. California alone has put 270 new police officers in schools this year.

Unfortunately, not all schools are so lucky. At the time of last month’s shooting at Santana High School in Santee, California, the school happened by pure luck to have two law enforcement officials near campus. The shooting spree at Santana High School lasted a mere six minutes. In this time, more than 30 rounds were shot, two teenagers were killed, and 13 people were wounded. It is dreadful to imagine what might have happened if the police had not responded so quickly.

An even more poignant situation, which underscored the absolutely vital role police officers play in our nation’s schools, was prevented in El Cajon, California. This time, there were no deaths. A police officer—who had been stationed at Granite Hills High School after the Santana High School shooting occurred—responded immediately. Without hesitation, the officer managed to stop the shooter from claiming innocent lives. Had a police officer not been on campus, we may have been counting fatalities instead of injuries.

Make no mistake, the police officers put in schools by the COPS In Schools program are not there to simply patrol the hallways, nor are they there to make schools feel like prisons. Police officers in schools serve an important purpose: they work with school staff to develop anti-crime policies on campus, implement procedures to ensure a safer school environment, and reassure parents that a police officer is there to deal with these students that might cause problems.

Local governments are required to provide 25 percent of the funding to hire these police officers, unless the Attorney General grants them a waiver. Under Attorney General Janet Reno, communities routinely received federal funding to hire police officers for schools without having to contribute matching funds. This was extremely generous, and I am hopeful that this policy will continue.

To ensure that it does, my bill permanently waives the local matching fund requirement for placing a police officer in a school. No child, teenager or adult attending one of America’s public schools should be put in danger simply because of a lack of funding. Communities should be able to put police officers in their schools, period.

My bill will allow them to do just that. We know that having police officers in schools works. They help ensure the safety of our schools, our schoolchildren and our faculty every single day. I encourage my colleagues to show their commitment to our students by supporting this bill.

By Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEF-
By Mr. BIDEN:

S. 750. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay; to the Committee on Finance.

Mr. BIDEN. Mr. President, today I introduce a bill which would right a wrong, a small wrong but a wrong nevertheless. It affects a handful of our nation's diplomats who serve in the world's most dangerous places: places like Bosnia and Lebanon. Our diplomats serve in some pretty difficult places, often in harm's way, just as our soldiers do.

These diplomats who serve in the most dangerous places receive a special allowance, which is aptly called "danger pay." This allowance is not unlike that paid to our military when they are in combat. In fact, in some places where our military and diplomatic personnel serve side by side, both receive a special allowance for their sacrifices.

The military justifiably receives this benefit tax-free. But our diplomatic personnel do not. Through an oversight in the Internal Revenue code, diplomats are taxed on their danger pay, even though they often face similar hardships and dangers. I think that's wrong.

The bill I introduce today, I have a bill which would right this wrong. It affects just a handful of people. But to them it will serve as recognition of the sacrifice they make when they represent the American people in dangerous places overseas.

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

The bill is ordered to be printed in the Record, as follows:

S. 750

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

SECTION 1. TREATMENT OF DANGER PAY ALLOWANCE.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to provisions affecting more than one subtitile) is amended by adding at the end the following:

"SEC. 7874. TREATMENT OF DANGER PAY ALLOWANCE.

"(a) GENERAL RULE.—For purposes of this section, the term 'danger pay allowance area' means any area in which an individual receives a danger pay allowance under section 112 of title 5, United States Code, for services performed in such area.''

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"Sec. 7874. Treatment of danger pay allowance.

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

By Mrs. CLINTON:

S. 751. A bill to express the sense of the Senate concerning a new drinking water standard for arsenic; to the Committee on Environment and Public Works.

Mrs. CLINTON. Mr. President, when Americans turn on their taps, they expect the water that comes out to be clean and safe. Unfortunately, that is not always the case.

I rise today to ask my colleagues to join me in expressing our support for the new health and science-based standard for arsenic in drinking water. The stronger standard can protect millions of Americans from a known carcinogen. A 1999 National Academy of Sciences report concluded that chronic ingestion of arsenic causes bladder, lung, and skin cancer. The Administration's proposal to withdraw this new standard puts the public health at risk.

The science is clear. The National Academy of Sciences has concluded that the current standard, which has not been revised in nearly 60 years, does not meet EPA's goal of public health protection. The stronger standard can protect thousands of Americans from a known carcinogen. In fact, the new health and science-based standard will join me in expressing our support for the new health and science-based standard for arsenic in drinking water. The stronger standard protects us.

The Computer Depreciation Reform Act of 2001. This bill will update the U.S. Tax Code to reflect the evolution of the computer and other high-tech industries.

By Mr. BURNS:

S. 752. A bill to amend the Internal Revenue Code of 1986 to reclassify computer equipment as 3-year property for purposes of depreciation; to the Committee on Finance.

Mr. BURNS. Mr. President, I rise today, to introduce the Technology Depreciation Reform Act of 2001. This bill will update the U.S. Tax Code to reflect the evolution of the computer and other high-tech industries.

High-tech hardware is subject to an outdated tax code. Currently, businesses must depreciate their computer equipment over a five year period. I believe this five year depreciation life for tax purposes is clearly outdated. Many companies today must update their computers as quickly as every 14 months in order to stay current technologically.

Depreciation schedules for technology assets have not been reformed since 1986. This legislation will amend the U.S. Tax Code by reducing the depreciation schedule for high-tech equipment from five years to three years.

I believe it is time to update an outdated tax code to reflect the realities of today's technology-based workplace. A five year depreciation schedule for business computers is no longer realistic.

The Computer Depreciation Reform Act allows every company, from the neighborhood real estate office, to the local hospital, to the local bank to depreciate their computer equipment on a three year schedule. As a result, these companies will no longer be forced to pay for their high-tech equipment long after its useful life has become obsolete.

In short, the tax code is outdated for high-tech hardware. The five year schedule for technology assets is particularly outdated. In fact, this is an industry on which so much other communities across the country that will ultimately need to construct or upgrade water treatment facilities to meet the new standard. These communities need and deserve as much time as is possible to come into compliance with the new standard.

This bill that I am introducing today expresses the Sense of the Senate that to provide maximum protection for public health and a maximum amount of time for communities to accommodate a new drinking water standard for arsenic, the new standard for arsenic in drinking water should be set no later than the statutory deadline of June 22, 2001.

Rather than rolling back science-based, public health standards for our nation's drinking water, we should be rolling up our sleeves and investing in our water infrastructure so that America's families can rest assured that their drinking water is clean and safe.
issue since 1986. However, the industry has evolved dramatically since that time.

I look forward to working with my colleagues on both sides of the aisle to update the tax code to reflect the realities of today’s technological workplace.

By Mr. BREAXUX (for himself, Mr. CRAIG, Mr. DORGAN, Mr. BURNS, Mr. CONRAD, Mr. ENZI, Ms. LANDrieu, Mr. THomas, Mr. GRahAM, Mr. CRAFO, Mr. BAUCUS, Mr. Nielson of NebrasK, Mr. DAYTON, Mr. INOuye, Mr. AKAKA, Mr. ALLARD, and Mr. HARKIN):

S. 753. A bill to amend the Harmonized Tariff Schedule of the United States, to prevent circumvention of the sugar tariff-rate quotas; to the Committee on Finance.

Mr. BREAXUX. Mr. President, unfair trade practices cannot and will not be tolerated. American jobs are hurt, industry suffers, and the economy loses.

Imported molasses is a product that United States is a classic example of an unfair trade practice being conducted in this country. Its importation circumvents the United States’ GATT-legal sugar import tariff rate quota. It’s time to end this scheme because our domestic sugar industry is being hurt by it.

As a trade practice, importing stuffed molasses is a crafty, refined scheme.

Stuffed molasses, as a product, consists of refined sugar being mixed with water and molasses for the purpose of disguising the refined sugar so it can evade the United States’ GATT-legal tariff rate quota.

In its disguised state, stuffed molasses has no legitimate commercial use. It does, however, circumvent our legitimate sugar import tariff rate quota.

Once stuffed molasses is brought into the United States, the refined sugar is extracted from the water and molasses and sold in the United States’ refined liquid sugar market. Once imported and extracted, it displaces legitimately-produced United States’ sugar and legitimately-imported sugar from the 40 countries which export sugar to this country under the tariff rate quota.

The United States company which imports stuffed molasses into this country, a subsidiary of an international conglomerate, brings it in through a tariff category for certain molasses products for which there is little or no tariff.

Senator LARRY CRAIG and I, as Co-Chairmen of the Senate Sweetener Caucus, are introducing today a bipartisan bill which would require the same tariff to be applied to stuffed molasses as is applicable currently to refined sugar imports.

We are pleased that 15 other senators have joined us in introducing the bill. We deeply appreciate their interest and support.

In January of this year, USDA issued a sugar and sweetener report which included the department’s analysis of the stuffed molasses situation. For the period 1995/1996 to 1999/2000, USDA’s report says stuffed molasses imports escalated from 8,056 short tons raw value to 118,105 short tons raw value, an increase approaching 1400 percent.

USDA’s report also says stuffed molasses imports for 1999/2000 were the equivalent of 10.5 percent of imports under the raw and refined sugar tariff-rate quotas for that period.

The USDA report forecasts Fiscal Year 2001 imports of stuffed molasses to increase to 125,000 short tons raw value. It also says the sugar used to make this disguised product originates in such countries as Australia and Brazil and is processed into stuffed molasses in Canada, from where it enters the United States.

Our bipartisan legislation makes it clear that its purpose is to stop an unfair trade practice by preventing a legitimate tariff to a concocted product which is circumventing our GATT-legal tariff rate quota. It does not affect any other legitimately-traded molasses or molasses product which has been traded historically and has legitimate commercial uses.

This unfair trade practice, is completely unacceptable. It is a total rejection of all that is fair in trade. It must be stopped. Our legislation is designed to do just that. I join with Senator KOHL and Mr. DURBEN in cosponsoring the bill and voting for its passage.

By Mr. LEAHY (for himself, Mr. KOHL, Mr. SCHUMER, and Mr. DURBEN):

S. 754. A bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand-name drugs and generic drugs; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, in the last Congress I introduced a bill, S. 2993, with Senator KOHL, to give the Federal Trade Commission, FTC, and the Department of Justice, DOJ, the ability to effectively enforce antitrust laws concerning contract and payment arrangements between drug companies and other drug companies.

Unfortunately, no action was taken on that Leahy-Kohl bill, and the newspapers are now full of articles about allegations that Shering-Plough paid $90 million to generic drug manufacturers to delay patenting of a low-cost generic drug taken by heart patients.

While these allegations have yet to be resolved for those particular companies, this story highlights the need to pass legislation to prevent this type of problem from happening in the future.

If Dante were writing The Inferno today, he might well have reserved a special place for those who engage in these anti-consumer conspiracies.

The Federal Trade Commission deserves credit for exposing this problem, during last Congress and this Congress. Under the bill we are introducing today, companies are required to give the FTC and the Justice Department the information they need to prevent manufacturers of patented drugs—often brand-name drugs—from simply paying generic drug companies to keep lower-cost products off the market.

These deals which prevent competition hurt senior citizens, hurt families, and cheat healthcare providers.

These pharmaceutical giants and their generic partners then share the profits gained from cheating American families.

The companies have been able to get away with this by signing secret deals with each other not to compete. Our bill, the “Drug Competition Act of 2001,” will expose these deals and subject them to immediate investigation and appropriate action by the Federal Trade Commission or the Justice Department.

This solves the most difficult problem faced by federal investigators: finding out about the improper deals. The Hatch-Waxman Act, it does not amend FDA law, and it does not slow down the drug approval process. It allows existing antitrust laws to be enforced by ensuring that the enforcement agencies have information about no-compete deals. The same confidentiality requirements will still apply to the FTC and to DOJ, as under current law.

The issue of making deals which prevent competition was addressed in a New York Times editorial, “Driving Up Drug Prices,” published on July 26, 2000. The editorial noted that even though the FTC “is taking aggressive action to curb the practice. It needs help from Congress to close loopholes in federal law.”

This bill is that help, and the bill slams the door shut on would-be violators by exposing the deals to our competition enforcement agencies.

Under current law, manufacturers of generic drugs are encouraged to challenge weak or invalid patents on brand-name drugs so that consumers can enjoy lower generic drug prices.

Current law grants these generic companies a temporary protection from competition to the first manufacturer that gets permission to sell a generic drug before the patent on the brand-name drug expires.

This approach then gives the generic drug manufacturer a 180-day head start on the generic competitor.

That was a good idea. The unfortunate loophole that has been open to exploitation is the fact that secret deals
can be made that allow the manufacturer of the generic drug to claim the 180-day grace period, to block other generic drugs from entering the market, while, at the same time, getting paid by the brand-name manufacturer for not selling the lower-cost generic drug.

The bill we are introducing today will shut this loophole down for companies who want to cheat the public, but keeps the system the same for companies engaged in true competition with each other. This bill would give the FTC or the Justice Department the information they need to take quick and decisive action against companies driven more by greed than by good sense.

It is important for Congress not to overreact to these outrages by throwing out the good with the bad. Most generic companies want to take advantage of the 180-day grace period and lower costs for consumers. We should not eliminate the incentive for them to do that.

Instead, we should let the FTC and DOJ look at every single deal that could lead to abuse so that only the deals that are consistent with the intent of that law will be allowed to stand.

We look forward to suggestions from other Members on this matter and stand. Does not amend the Sherman Act, other antitrust laws, the Comstock Act, the Hatch-Waxman Act or other generic drug laws, the Federal Food, Drug and Cosmetic Act, or any patent or drug safety law.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 5, 2001

SENATE RESOLUTION 66—EXPRESSING THE SENSE OF THE SENATE REGARDING THE RELEASE OF TWENTY-FOUR UNITED STATES MILITARY PERSONNEL CURRENTLY BEING HELD BY THE PEOPLE'S REPUBLIC OF CHINA

Mr. THOMAS (for himself, Mr. KERRY, Mr. WARNER, Mrs. FEINSTEIN, Mr. MUSgrave, Mr. JORDAN, Mr. LUGAR, Mr. SMITH of Ohio, Mr. CLINTON, Mr. BROWNBACK, Mr. BAUCUS, Mr. ROBERTS, Mr. NELSON of Florida, Mr. LIEBERMAN, Mr. KENNEDY, Mr. DODD, Mr. TORRICELLI, Mr. CORZINE, Mr. MCCONNELL, Mr. LEVIN, Mrs. BOXER, Mr. WELLSTONE, Mr. DASCHLE, Mr. ROCKEY FELLER, Mrs. CARNAHAN, Mr. CONRAD, Mrs. MURRAY, Mr. THURMOND, Mr. CRAPO, Mr. DORGAN, Mr. BAYH, Mr. CAMPBELL, Ms. CANTWELL, Ms. COLLINS, Mr. EDWARDS, Mr. KOHL, Mr. HUTCHINSON, Mr. FITZGERALD, Mr. INOUYE, Mr. JOHNSON, and Ms. SNOWE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

Mrs. CLINTON, Mr. President, I rise in support of Senator Thomas's resolution, which calls for the immediate release of twenty-four United States military personnel currently being held by the People's Republic of China, which were detained by the government of the People's Republic of China on the EP-3E on April 1, 2001. Securing the safe return of the crew and their aircraft is a top priority for our country and this resolution makes that clear.

And I know that I speak for my constituents when I say that I am deeply concerned about the safety of the twenty-four U.S. crew members who are being held in China. My thoughts and prayers are with all of them and their family members, including the family of Kenneth Richter, a Navy cryptographer and native of Staten Island, New York.

We are fortunate to have brave men and women like Kenneth Richter serve our country. It is a reminder of how the courage and hard work of those in our armed forces help to keep America free and secure.

All Americans stand as one behind the President as our nation presses for the immediate release of our people and our aircraft. There is absolutely no justification for their detention for one minute, let alone so many days.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 6, 2001

SENATE RESOLUTION 68—DESIGNATING SEPTEMBER 6, 2001 AS "NATIONAL CRAZY HORSE DAY"

Mr. JOHNSON submitted the following resolution; which was referred to the Committee on the Judiciary:

Whereas Crazy Horse was born on Rapid Creek in 1843;

Whereas during his lifetime, Crazy Horse was a great leader of his people;

Whereas Crazy Horse was a warrior and a military genius and his battle strategies are studied to this day at West Point;

Whereas Crazy Horse was a "Shirt Wearer," having duties comparable to those of the United States Secretary of State;

Whereas it was only after he saw the treaty of 1868 broken that Crazy Horse defended his people and their way of life in the only manner he knew;

Whereas Crazy Horse took to battle only after his friend, Conquering Bear, killed and only after he saw the failure of the Federal Government agents to bring required treaty guarantees such as food, clothing, shelter, and necessities for existence; and

Whereas Crazy Horse was killed at Fort Robinson, Nebraska, on September 6, 1877, when he was only 34 years of age: Now, therefore,

Resolved, That the Senate—

(1) designates September 6, 2001, as "National Crazy Horse Day"; requests that the President issue a proclamation calling on the Federal Government and State and local governments, interested groups and organizations, and the people of the United States to observe the day with appropriate programs, ceremonies, and activities; and

Mr. JOHNSON, Mr. President, I rise today to submit a resolution that will commemorate the birth of Crazy Horse. Crazy Horse was a great leader of his people, and the designation of September 6 will be the ultimate commendation for his bravery and contribution to Native Americans.

Crazy Horse was born on Rapid Creek in 1843. He was killed when he was only 34 years of age, September 6, 1877. He was stabbed in the back by a soldier at Fort Robinson, Nebraska, while he was under U.S. Army protection. During his life he was a great leader of his people. Crazy Horse was a warrior and a military genius. His battle strategies are studied to this day at West Point. Crazy Horse was bestowed with the honor of becoming a Shirt Wearer. This honor is comparable to duties like that of the Secretary of State.

Crazy Horse defended his people and their way of life in the only manner he knew, but only after he saw the treaty of 1868 broken. He took to the warpath only after he saw his friend Conquering Bear killed; only after he saw the failure of the government agents to bring required treaty guarantees such as food, clothing, shelter and necessities for existence. In battle the Sioux war
leader would rally his warriors with the cry, "It is a good day to fight, it is a good day to die."

Throughout recent history, a memorial commemorating the life of this great warrior is under construction in my state of South Dakota. I would like to take these efforts one step further and designate September 6, 2001, the 124th anniversary of Crazy Horse's death, as "National Crazy Horse Day." I urge my colleagues to join me in the commemoration of this great hero.

SENATE RESOLUTION 69—RESOLUTION CONGRATULATING THE FIGHTING IRISH OF THE UNIVERSITY OF NOTRE DAME FOR WINNING THE 2001 WOMEN’S BASKETBALL CHAMPIONSHIP

Mr. BAYH (for himself and Mr. LUGAR) submitted the following resolution; which was considered and agreed to:

S. Res. 69
Whereas the University of Notre Dame women’s basketball team won its first national championship by defeating the tenacious Purdue University Boilermakers by the score of 88-68;

Whereas for the first time in NCAA women’s basketball history, two teams from the same State appeared in the championship game;

Whereas Ruth Riley, named the Final Four’s outstanding player and a native of Macy, Indiana, led the University of Notre Dame with 28 points and made 2 free throws with 5.8 seconds left in the game to secure a victory;

Whereas Niele Ivey battled back from a sprained left ankle and scored 12 points for the Irish;

Whereas the Fighting Irish, coached by Muffet McGraw, finished their season with a 34-2 record;

Whereas the high caliber of the University of Notre Dame Women Fighting Irish in both athletics and academics has advanced the sport of women’s basketball and provided inspiration for future generations of young female athletes; and

Whereas the Fighting Irish’s season of accomplishment inspired euphoria across the basketball-loving State of Indiana: Now, therefore, be it

Resolved.

SECTION 1. CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN’S BASKETBALL TEAM.

(a) IN GENERAL.—The Senate congratulates the Fighting Irish of the University of Notre Dame for winning the 2001 NCAA Women’s Basketball Championship.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this concurrent resolution to the president of The American Society for the Prevention of Cruelty to Animals.

SENATE RESOLUTION 71—EXpressing the Sense of the Senate Regarding the Need to Preserve Six Day Mail Delivery

Mr. HARKIN submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. Res. 71
Whereas the Postal Service has announced it may consider reducing its six-day mail delivery service to five days, ending Saturday home delivery to offset a projected budget shortfall;

Whereas the six-day mail delivery is an essential service that U.S. citizens have relied on since 1912, particularly those working families who depend on their paychecks to arrive in the mail on time;

Whereas many of our citizens only have one source of income through their Social Security checks, which arrive in the mail and any delays would make it difficult for them to purchase items such as food and medicine; and

Whereas ending Saturday home mail delivery will result in inevitable delays in mail delivery and an increase in costs for employee overtime to control the back-up of mail: Now, therefore, be it

Resolved, That it is the Sense of the Senate that it is strongly opposed to the elimination of Saturday home and business mail delivery and calls on the United States Postal Service to take all of the necessary steps to ensure that six-day home and business mail delivery not be reduced.

Mr. HARKIN. Mr. President, today I am submitting a resolution regarding recent reports coming out of the U.S. Postal Service.

On Tuesday, the United States Postal Service announced an effort to cut costs announced that it may eliminate Saturday mail delivery, thus reducing home delivery to five days a week.

I believe this would be a terrible mistake. Saturday delivery is an essential service, and we should make sure it continues. Eliminating the sixth day will lead to inevitable delays for mail delivery as well as higher costs to pay overtime to our postal workers.

So my resolution would put the Senate on record as strongly opposed to a cut in service. The amendment will also call on the governing body of the Postal Service to take the necessary steps to ensure the essential service goes uninterrupted.

Cutting out the Saturday delivery would represent a major change for the service, a service that many Americans, especially our seniors who don’t use e-mail, have depended on for decades.

People across America depend on the services of the Postal system. Millions of working families depend on the mail for their pay checks, millions of seniors depend on the mail for their Social Security checks, and millions of poor Americans can’t afford computers and don’t have access to things like e-mail which many of us take for granted. We should not let them down.

AMENDMENTS SUBMITTED AND PROPOSED

SA 351. Mr. BOND proposed an amendment to amendment SA 170 proposed by Mr. Domenici 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.

TEXT OF AMENDMENTS

SA 351. Mr. BOND proposed an amendment to amendment SA 170 proposed by Mr. Domenici 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:

On page 36, line 6, increase the amount by $967,000,000.

On page 36, line 7, increase the amount by $967,000,000.

On page 43, line 15, decrease the amount by $967,000,000.
Mr. LOTT. Mr. President, I ask unanimous consent that at 2 p.m. on Monday, April 23, the Senate resume H. Con. Res. 83, to name conferees on the part of the Senate, those conferees being: Senators DOMENICI, GRASSLEY, and GRAMM, and Democratic nominees to be announced on Monday, April 23. There will be two of them.

Further, there will be 4 hours equally divided for debate only, and following that debate, the motions be immediately agreed to without any intervening action, motion, or additional debate, and the motion to reconsider be laid upon the table.

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

THE BUDGET RESOLUTION

Mr. LOTT. Mr. President, if I could take a moment while Senator DASCHLE is present, I thank the managers of this legislation on behalf of all the Senate. Being chairman of a committee and ranking member of a committee always has its challenges. And when you manage all on the floor, any of them can present difficulties and take quite some time. But probably no bill is any more difficult than the budget resolution because you have so many different parts. You are dealing with mandatory programs, appropriated accounts, the aggregate numbers, and those categories, as well as what you are going to do with regard to tax policy. It is not an easy job.

I must say that Senator DOMENICI, as chairman of the committee, and Senator KENT CONRAD, the ranking Democrat on the committee, have done an excellent job. We really appreciate it. It has been long hours. But I watched you working last night and again this morning, and I am sure there are many Senators who would not have believed we would be where we are at this moment—20 minutes to 3—having completed a bipartisan budget resolution.

I am sure many of us would make changes and say it is not perfect, but in the years I have watched votes on budget resolutions—and they now go back over some 25 or 26 years since we first started the budget resolution—I only remember two or three times where it was really a bipartisan budget resolution. This vote of 65-35 was, I think, a quick vote, a positive vote, and a good step toward completing our work this year on all the different components of this bill. So I congratulate you and thank you for your work.

I say to Senator DASCHLE, would you like to comment?

Mr. DASCHLE. If the majority leader will yield, I only add my voice to the majority leader’s. He has spoken for both of us again in complimenting our chair as well as our ranking member.

This is the first managerial responsibility, under our Budget Committee, that our ranking member has had. I must say, he has made us all proud and very grateful. He has done an extraordinary job. And his staff has been very helpful, as we worked through many of the legislative landmines we faced over the course of the last several days.

I would also like to thank our Democratic whip, Senator REID of Nevada, for the outstanding job he did in helping our ranking member and working through the many challenges we faced. He, as he always does, has been just a tremendous workhorse. Senator REID deserves our thanks and our debt of gratitude as well.

I thank the majority leader for yielding.

Mr. LOTT. In conclusion, Mr. President, I would like to join in expressing appreciation for Senator REID. We consider him the utility player for both sides. He does wonderful work. We do appreciate it.

Also, I want to take note that Senator DOMENICI, as chairman of the committee or ranking member, has been involved in every budget resolution we have worked on since the law went into effect back in the 1970s, and he has been the manager on our side 14 times.

So we have the old pro here, and we have the new ranking member, and they both did a great job and worked together quite well. We do appreciate it.

With that, I yield the floor.

Mr. DOMENICI. Mr. President, I say to my good friend, Senator KENT CONRAD, it is a pleasure working with you. I extend my congratulations for a superb job. It was a very difficult job, and it was through many of the legislative landmines we faced. But he, as always, has been a tremendous workhorse. He has not done an extraor-dinary job. And his staff, as well as our staff, have been miracle workers. We very much appreciate it.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from Dakota.

Mr. CONRAD. Mr. President, first of all, I thank the majority leader and the Democratic leader for their kind comments. It has been terrific working with them. I also want to highlight the work of the chairman of the committee who has done a very fair-handed job of moderating the Budget Committee. We thank him for his fairness, and we appreciate very much the working relationship we have established throughout the year.

I think our committee was one of the first to reach agreement in this power-sharing arrangement. And certainly here on the floor, Senator DOMENICI worked in such a constructive and gracious way. We appreciate it very much.

If I might talk for just a moment, on the reasons I voted in opposition to this budget resolution after these long hours of work, I would sum it up in the following ways.

No. 1, I wanted to do more debt reduction than we ultimately did here. I wanted to reserve $70 billion, or the forecasted surpluses for debt reduction. Unfortunately, we fell well short of that. So my first concern with what we passed is there is not sufficient debt reduction.

My second concern is that after a detailed analysis of all the amendments that have passed, we are into the Medicare trust funds in the years 2002, 2005, 2006, and 2007, to the tune of $54 billion. As I enunciated when I laid down a budget alternative, I do not think we should use any of the trust funds of Social Security or Medicare for any year. So that would be the second reason I voted in opposition.

The third reason was that the tax cut we are left with of $1.2 trillion over the 10 years is simply too large to accommodate the kind of additional debt paydown that I believe is in the best interest of the country. Instead of paying down the publicly held debt to about $500 billion, this budget resolution pays down the publicly held debt to about $1.1 trillion. So I would have liked to have seen us pay down the publicly held debt by another $600 billion.

Finally, Mr. President, in the option that I offered our colleagues, we reserved $800 billion to strengthen Social Security for the long term. This budget will fall far short of that at about $160 billion that is available to strengthen Social Security for the long term.

So for those reasons, I voted in opposition.

In saying that, I do want to indicate that we improved this budget substantially. From what we started with—from what we started with; not from my plan, but from what we started with—we reduced the tax cut, we increased the amount of publicly held debt paydown, and we reserved additional resources for improving education, for a prescription drug benefit, for national defense, and for agriculture.

So those were important improvements. I just would have liked to have seen us do somewhat better. I would
have liked to have seen us put more of an emphasis on debt reduction. But we will have other opportunities to make those points and other opportunities to vote on those priorities.

I conclude by thanking all of our colleagues for their patience and their graciousness during this period. I also want to take this moment to thank the staffs who worked so hard during this period because these have been long nights and difficult days.

I want to start with Mary Naylor, my chief of staff, and the Senate Finance Committee, who did a superb job under difficult circumstances; and Jim Horney, who is also a top staffer, the deputy staff director for the Senate Budget Committee; Sue Nelson, who produced chart after chart that showed us where we stood at every juncture so we knew precisely where we were, which I think helped us make wise decisions; Lisa Konwinski, our counsel, who Lisa drafted amendment after amendment for me, for our colleagues, and did a superb job; Sarah Kuehl, who has primary responsibility in the Social Security area; Steve Bailey, our tax counsel; Dakota Rudesill, who handles national security issues and national defense; Scott Carlson and Tim Galvin, who handle agriculture for the committee; Shelley Amdor, who is our education specialist; Jim Esquea and Bonnie Chapin; Chad Stone, our economist; Rock Cheung, who helped produce those charts, and I think helped us be more successful than we would have otherwise been; and certainly Karin Kullman, who joined the staff to help us do outreach to groups who were interested in the issues—Robert Hoffman knew, he always gets the job done.

Goodness knows, I appreciate the work all of you have done. I appreciate very much the long hours you have put in and your dedication. You have made me proud. I think you have helped us improve the budget for our country. I thank the staff on the other side, especially the staff director for Senator Domenici, Bill Hoagland, who is a class act. He deserves all of our thanks for the professionalism with which he conducts himself.

Mr. President, again, I thank everyone who has made this an interesting first experience for me in my position on the Budget Committee. I thank the Chair and yield the floor.

TRIBUTE TO ROBERT HOFFMAN

Mr. DeWINE. Mr. President, I rose today to say thank you—thank you to my legislative director for the past four years, Mr. Robert Hoffman. My right-hand man—will be leaving Capitol Hill after four years for a rising career in the private sector.

But I speak for a lot of people on the Hill—Members and staffs, alike—when I say that although we are very happy for Robert and we wish him well, we are saddened by his upcoming departure and will miss him dearly.

We will miss Robert's dedication to this institution. We will miss his optimism and his sense of humor. We will miss his unstoppable work ethic.

But most of all, we will just miss him.


Robert, a California native, didn't start off Senator Wilson's legislative directors. Oh no. He started in the mail room. His dogged determination and his amazing ability to absorb issues quickly propelled him upward within the Wilson operation. In less than a year, Robert had become a legislative correspondent and within another year, he was working in Sacramento as deputy speech writer after Senator Wilson became Governor of California.

Robert, though, missed Capitol Hill—and Capitol Hill missed him. By May 1991, he was back in Washington, this time working as a legislative assistant for another former California Senator, John Seymour. Robert thrived as a legislative assistant, handling complex issues ranging from crime to immigration.

In practically no time, Robert was ready for a managerial role. In December 1992, he started a long tenure with our former colleague from South Dakota, Senator Larry Pressler. By the young age of only 27, Robert was serving as Senator Pressler's legislative director. Though Robert's loyalty to Governor Wilson called him back for slightly over a year to work as the Governor's Deputy Director of his Washington office, Robert stayed with the Pressler organization until January 1997. To this day, Senator Pressler is thankful for having had Robert at the helm of his legislative operation.

The Senator has described Robert as one of the ‘all time finest legislative assistants and legislative directors on Capitol Hill. He is a man of great personal values and decency—a decency that is contagious.’ Senator Pressler said it well.

I know, too, that Senator Pressler greatly valued—and still values, as I do—Robert's deep grasp and understanding of foreign policy and national security matters. Robert accompanied Senator Pressler and Senator Specter on a trip to Africa. Senator Pressler speaking weekly of that trip and of Robert's "superb job of managing it." According to Senator Pressler: "Robert made that trip. He got us there and back in one piece, which was no easy feat! He managed the whole thing, dealt with heads of state, and knew all the issues—forward and back."

Robert came to my office in February 1997. He's been my legislative director for over four years now. And, during that time, I have learned a great deal about this fine man.

I have learned that he is loyal to a fault. I have learned that he is a workhorse.

I have learned that he is an incredible strategist, manager, teacher, thinker, leader, and friend.

I have also learned that there is nothing Robert Hoffman can't do. To use one of Robert's favorite phrases: "He just gets it. He just gets the joke."

Robert is one of the best "big picture" thinkers I have ever encountered. He gets the whole scene; he understands it. He can put things in their proper, perspective. Robert's got a unique ability to do—Robert's deep grasp and understanding of foreign policy and national security matters. Robert accompanied Senator Pressler and Senator Specter on a trip to Africa. Senator Pressler speaking weekly of that trip and of Robert's "superb job of managing it." According to Senator Pressler: "Robert made that trip. He got us there and back in one piece, which was no easy feat! He managed the whole thing, dealt with heads of state, and knew all the issues—forward and back."
him. One of the easiest ways to do that is to watch the reruns of “Little House on the Prairie.” Robert started his profession career actually before he came to Capitol Hill. He started as one of the stars on the original version of “Little House on the Prairie.” Those of you who are up late at night and who have the opportunity to see a rerun, if you see someone who looks like Robert Hofman, it is. You will have the opportunity to see a much younger version of Robert on that show.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MODIFICATION OF UNANIMOUS CONSENT AGREEMENT WITH RESPECT TO CONFEREES TO THE BUDGET RESOLUTION

Mr. DeWINE. Mr. President, on behalf of Leader LOTT, I ask unanimous consent that the previous consent agreement with respect to conferees to the budget resolution be modified to allow for one additional conferee per side, and further, the Republican conferee be Senator NICKLES and the Democrat nominee be named on April 23.

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

MEASURE PLACED ON THE CALENDAR—H.R. 8

Mr. DeWINE. Mr. President, also, on behalf of the leader, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill for the second time.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes.

Mr. DeWINE. Mr. President, I object to further proceedings on this bill at this time.

The PRESIDING OFFICER. This bill will be placed on the calendar.

CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN’S BASKETBALL TEAM FOR THEIR CHAMPIONSHIP

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 69, submitted earlier today by Senators BAYH and LUGAR.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 69) congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women’s basketball championship.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LUGAR. Mr. President, I ask today to join my colleague from Indiana as a cosponsor of this resolution congratulating the women’s basketball team of the University of Notre Dame for winning the 2001 women’s basketball championship.

This remarkable achievement by the Fighting Irish women’s basketball team culminates a season in which Coach Muffet McGraw and her team achieved an outstanding 34-2 record. Player Ruth Riley, an Indiana native, earned the titles Big East Player of the Year and Outstanding Player of the Final Four. Her teammate, Niele Ivey, suffered a sprained ankle during the semifinal game but persevered to help the Fighting Irish win their 68-66 final game victory over the determined Purdue University Lady Boilermakers.

The women basketball players of Notre Dame offer an example of dedication, skill, and sportsmanship as they bring Notre Dame its first national basketball title.

Mr. BAYH. Mr. President, it is with great pride that I rise today with my colleague Richard Lugar to introduce a bipartisan resolution honoring the University of Notre Dame women’s basketball team for winning the school’s first ever National Collegiate Athletic Association, NCAA, Division I basketball championship.

On April 1, 2001, this remarkable group of young women—led by senior All-American and native Hoosier Ruth Riley, have taken their place in Notre Dame’s long and storied tradition of academic and athletic excellence with a victory over the Purdue University Boilermakers.

This match-up made NCAA history, as it was the first time two teams from the same state appeared in the NCAA women’s basketball championship game. I cannot think of a more fitting place from which these two special teams could hail than from Indiana, basketball’s heartland. It is a wonderful tribute to these two teams and their fine universities, and an honor for the state of Indiana to gain that distinction.

As Hoosiers across our state and basketball fans around the nation watched with excitement and anticipation, both teams put forth a tremendous effort that made for a spectacular game. These true competitors displayed immense talent and ability as they engaged each other relentlessly throughout the forty minute championship game. The determination and commitment of both the Fighting Irish and the Boilermakers exemplifies our Hoosier values and serves as a tremendous source of pride for the state of Indiana.

Behind every great team is a great coach, and Notre Dame’s Muffet McGraw is no exception. Coach McGraw provided the Fighting Irish with the stewardship needed for an outstanding record of thirty-four wins and only two losses during the 2000-2001 season, en route to the national championship. The Notre Dame community should be very proud of both Coach McGraw’s leadership and her team’s outstanding accomplishments as student athletes.

In dramatic fashion, the Fighting Irish turned around a twelve point deficit and tied the game with one minute remaining. With .5 seconds remaining, Ms. Riley made two free throws to complete the comeback and secure a 68-66 victory for the Fighting Irish. Ms. Riley, who earned the tournament’s Most Outstanding Player honors, was also named national Player of the Year and was a unanimous selection as first team All-American. Through hard work and determination, Ruth Riley and her teammates advanced the sport of women’s basketball and provided inspiration for future generations of young female athletes.

Mr. DeWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, that any statements relating thereto be placed in the RECORD at the appropriate place as if read, with no intervening action or debate.

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

The resolution (S. Res. 69) was agreed to.

The preamble was agreed to.

The text of the resolution is printed in Today’s Record under “Statements on Submitted Resolutions.”

HONORING THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS FOR 135 YEARS OF SERVICE

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 70, submitted earlier today by Senator DURBIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 70) honoring the American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DeWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table, that any statements relating thereto be placed in the RECORD at the appropriate place as if read, with no intervening action or debate.
AUTHORIZING PRINTING OF UPDATED VERSION OF "BLACK AMERICANS IN CONGRESS"

Mr. DeWINE. Mr. President, I ask unanimous consent that the Rules Committee be discharged from the consideration of H. Con. Res. 43 and the Senate proceed to its consideration.

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

The clerk will report.

The legislative clerk read as follows:


There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DeWINE. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and finally, that any statements appear at this point in the RECORD.

The PRESIDING OFFICER. The resolution (S. Res. 27) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 27

Whereas for more than 200 years, the Chechen people have resisted the efforts of the Russian government to drive them from their land and to deny them their own culture;

Whereas beginning on February 23, 1944, nearly 500,000 Chechen civilians from the northern Caucasus were arrested in masse and forced onto trains for deportation to central Asia;

Whereas tens of thousands of Chechens, mainly women, children, and the elderly, died en route to central Asia;

Whereas mass killings and the use of poisons against the Chechen people accompanied the deportation;

Whereas the Chechen deportees were not given food, housing, or medical attention upon their arrival in central Asia;

Whereas the Soviet Union actively attempted to suppress expressions of Chechen culture, including language, architecture, literature, music, and familial relations during the exile of the Chechen people;

Whereas it is generally accepted that more than one-third of the Chechen population died in transit during the deportation or while living in exile in central Asia;

Whereas the deportation order was repealed until 1995;

Whereas the Chechens who returned to Chechnya found their homes and land taken over by new residents who violently opposed the Chechen return; and

Whereas immediately after the Soviet Union, nor its successor, the Russian Federation, has ever accepted full responsibility for the brutalities inflicted upon the Chechen people: Now, therefore, it is

Resolved, That it is the sense of the Senate that—

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

EXPRESSING THE SENSE OF THE SENATE REGARDING THE 1944 DEPORTATION OF THE CHECHEN PEOPLE

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 27, S. Res. 27.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 27) to express the sense of the Senate regarding the 1944 deportation of the Chechen people to central Asia, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DeWINE. 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 finally, that any statements appear at this point in the RECORD.

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

The resolution (S. Res. 27) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. 525

Whereas 640 of the imprisoned Kosovar Albanians were released after being formally indicted and sentenced to terms that ranged from 2 to 3 years in prison in the Federal Republic of Yugoslavia (Serbia and Montenegro) (in this resolution referred to as the “FRY”) and the police units of Serbia, as they withdrew from Kosovo, transferred approximately 1,900 ethnic Albanians between the ages of 13 and 73 from prisons in Kosovo to Serbian prisons;

Whereas some ethnic Albanian prisoners that were tried in Serbia were convicted on false charges of terrorism, as in the case of Dr. Flora Brovina;

Whereas the Serbian prison directors at Pezarasvoj prison stated that of 600 ethnic Albanian prisoners that arrived in June 1999, 530 had no court documentation of any kind;

Whereas 940 of the imprisoned Kosovar Albanians were released after being formally indicted and sentenced to terms that matched the time already spent in prison;

Whereas representatives of the FRY government received thousands of dollars in ransom payments from Albanian families for the release of prisoners;

Whereas the 57th anniversary of the brutal deportation of the Chechen people from their native land; and

(2) the current war in Chechnya should be viewed within the historical context of repeated abuses suffered by the Chechen people at the hands of the Russian state;

(3) the United States Government should make every effort to alleviate the suffering of the Chechen people; and

(4) it is in the interests of the United States, the Russian Federation, Chechnya, and the international community to find an immediate, peaceful, and political solution to the war in Chechnya.

URGING THE IMMEDIATE RELEASE OF KOSOVAR ALBANIANS WRONGFULLY IMPRISONED

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 28, S. Res. 60.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 60) urging the immediate release of Kosovar Albanians wrongfully imprisoned in Serbia, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DeWINE. 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 any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 60) was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 60

Whereas the Military-Technical Agreement Between the International Security Force (“KFOR”) and the Governments of the Federal Republic of Yugoslavia and the Republic of Serbia (concluded June 9, 1999) ended the war in Kosovo; and

Whereas in June 1999, the armed forces of the Federal Republic of Yugoslavia (Serbia and Montenegro) in this resolution referred to as the “FRY”) and the police units of Serbia, as they withdrew from Kosovo, transferred approximately 1,900 ethnic Albanians between the ages of 13 and 73 from prisons in Kosovo to Serbian prisons;

Whereas some ethnic Albanian prisoners that were tried in Serbia were convicted on false charges of terrorism, as in the case of Dr. Flora Brovina;

Whereas the Serbian prison directors at Pezarasvoj prison stated that of 600 ethnic Albanian prisoners that arrived in June 1999, 530 had no court documentation of any kind;

Whereas 940 of the imprisoned Kosovar Albanians were released after being formally indicted and sentenced to terms that matched the time already spent in prison;

Whereas representatives of the FRY government received thousands of dollars in ransom payments from Albanian families for the release of prisoners;
Whereas the payment for the release of a Kosovar Albanian from a Serbian prison varied from $4,300 to $21,000, depending on their social prestige;
Whereas Kosovar Albanian lawyers, including Husnija Bitice and Teki Bokshi, who are fighting for the release of the imprisoned have been severely beaten;
Whereas approximately 600 Kosovar Albanians remain imprisoned by government authorities in Serbia;
Whereas the Geneva Conventions of August 12, 1949, and their protocols give the international community legal authority to press for, in every way possible, the immediate release of political prisoners detained during a period of armed conflict;

The Senate hereby—

SECTION 1. URGING THE IMMEDIATE RELEASE OF ALL KOSOVAR ALBANIAN PRISONERS WRONGFULLY IMPRISONED IN SERBIA.

The Senate hereby—

(1) calls on FRY and Serbian authorities to provide a complete and precise accounting of all Kosovar Albanians held in any Serbian prison or other detention facility;
(2) urges the immediate release of all Kosovar Albanians wrongfully held in Serbia, including the immediate release of all Kosovar Albanian prisoners in Serbian custody arrested in the course of the Kosovo conflict for their resistance to the repression of the Federal Republic of Yugoslavia (Serbia and Montenegro), is responsible for the policies of the FRY and of Serbia. Now, therefore, be it.

Resolved.

SECTION 1. SHORT TITLE.

This concurrent resolution may be cited as the "Justice for the Victims of Pan Am 103 Resolution of 2001".

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the entire international community should condemn, in the strongest possible terms, the Government of Libya and its leader, Colonel Muammar Qadhafi, for support of international terrorism, including the bombing of Pan Am 103;

(2) the Government of Libya should immediately—

(A) make a full and complete accounting of its involvement in the bombing of Pan Am 103;
(B) accept responsibility for the actions of Libyan officials;
(C) provide appropriate compensation to the families of the victims of Pan Am 103; and

(3) the President should instruct the United States Permanent Representative to the United Nations to use the voice, and, if necessary, the vote of the United States, to maintain United Nations sanctions against Libya for its involvement with the Pan Am 103 Lockerbie bombing and reiterating conditions under which sanctions will be lifted.

The conviction of Abdel Basset al Megrahi by the Scottish court in the Netherlands for the December 21, 1988 terrorist bombing of Pan Am Flight 103 is a victory for the families of the 270 victims, who have been seeking justice for more than 12 years, a victory for our country, which was the real target of the terrorist attack, and a victory for the world community in the ongoing battle against international terrorism.

Now that a Scottish court has concluded that Libya was responsible for the bombing, the hand of the United States has been strengthened in its effort to convince the international community that it is premature to welcome Libya back into the family of nations. The task will not be easy. Oil companies want to invest in the Libyan petroleum sector, and even many of our closest allies are anxious to close the book on the bombing.

Following the verdict, President George Bush wisely stated that the United States will continue to press Libya to accept responsibility and compensate the families. We must demand full disclosure of what Libya knows. The United States must make it clear that we will use our veto in the UN Security Council to block any effort to permanently lift sanctions before Libya accepts responsibility for the actions of its intelligence officer, provides appropriate compensation to the families of its victims, accounts for its involvement in the bombing, and fully renounces terrorism. These are the conditions demanded by the international community—not just the United States—and they must be enforced before the sanctions are lifted. We must also be prepared to impose stronger sanctions if Qadhafi refuses to cooperate. This resolution makes clear that this should be American policy.

U.S. sanctions against Libya which prevent trade and investment and bar the import of Libyan oil must also remain in place. Although there is strong interest by the U.S. oil industry in investing in Libya, the Administration must make clear that profits cannot take priority over justice.

It is vital to the ongoing battle against international terrorism that all those responsible for this horrible act are brought to justice.

I am pleased to work with Senator Feinstein on this resolution, and I urge my colleagues to support it.

Mr. DeWINE. 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 any statements relating to the resolution be printed in the Record.

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

The concurrent resolution (S. Con. Res. 23) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 23

Whereas 270 people, including 189 Americans, were killed in the terrorist bombing of Pan Am Flight 103 over Lockerbie, Scotland, on December 21, 1988;
Whereas, on January 31, 2001, the 3 judges of the Scottish court meeting in the Netherlands to try the 2 Libyan suspects in the bombing of Pan Am 103 found that "the conception, planning, and execution of the plot which led to the planting of the explosive device was of Libyan origin";
Whereas the Court found conclusively that Abdel Basset al Megrahi was a member of the Jamahiriyah Security Organization, one of the main Libyan intelligence services; whereas the United Nations Security Council Resolutions 731, 748, 883, and 1192 demanded that the Government of Libya provide appropriate compensation to the families of the victims, accept responsibility for the actions of Libyan officials in the bombing of Pan Am 103, provide a full accounting of its involvement in this terrorist act, and cease all support for terrorism; and

Whereas, contrary to previous declarations by the Government of Libya and its representatives, in the wake of the conviction of Abdel Basset al Megrahi, Colonel Muammar Qadhafi refuses to accept the judgment of the Scottish court or to comply with the requirements of the Security Council under existing resolutions: Now, therefore, be it.

Resolved by the Senate (the House of Representatives concurring).

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 23) expressing the sense of Congress with respect to the United States' part in the Government of Libya in the terrorist bombing of Pan Am Flight 103, and for other purposes.
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SEC. 2. POLICY OF THE UNITED STATES TOWARD LIBYA.

It should be the policy of the United States to—

(1) oppose the removal of United Nations sanctions until the Government of Libya has—

(A) made a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accepted responsibility for the actions of Libyan officials;

(C) provided appropriate compensation to the families of the victims of Pan Am 103; and

(D) demonstrated in word and deed a full renunciation of support for international terrorism; and

(2) maintain United States sanctions on Libya, including those sanctions on all forms of assistance and all other United States restrictions on trade and travel to Libya, until—

(A) the Government of Libya has fulfilled the requirements of United Nations Security Council Resolutions 731, 748, 883, and 1192;

(B) the President—

(i) certified under section 620A(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(c)) that Libya no longer provides support for international terrorism; and

(ii) has provided to Congress an explanation of the steps taken by the Government of Libya to resolve any outstanding claims against that government by United States persons relating to international terrorism; and

(C) the Government of Libya is not pursuing weapons of mass destruction or the means to deliver them in contravention of United States law.

SEC. 4. TRANSMITTAL OF CONCURRENT RESOLUTION.

The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

EXPRESSING SENSE OF CONGRESS REGARDING ESTABLISHMENT OF INTERNATIONAL EDUCATION POLICY

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 30; S. Res. 7.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 7) expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution which had been reported by the Committee on Foreign Relations with an amendment, an amendment to the preamble, and an amendment to the title, as follows:

S. Con. Res. 7

Whereas promoting international education for United States citizens and ensuring access to high level international experts are important to meet national security, foreign policy, economic, and other global challenges facing the United States;

Whereas international education entails the imparting of effective global competence to United States students and other citizens as an integral part of their education at all levels;

Whereas research indicates that the United States is failing to graduate enough students with expertise in foreign languages, cultures, and policies to fill the demands of business, government, and universities;

Whereas, according to the Institute for International Education, less than 10 percent of United States students graduating from college have studied abroad;

Whereas, according to the American Council on Education, foreign language enrollments in United States higher education fell from 36 percent in 1960 to just 8 percent today, and the number of 4-year colleges with foreign language enrollment and graduation requirements also declined;

Whereas educating international students is an important way to impart cross-cultural understanding, to spread United States values and influence, and to create goodwill for the United States throughout the world;

Whereas, based on studies by the College Board, the Institute for International Education, and Indiana University, more than 500,000 international students and their dependents contributed an estimated $12,300,000,000 to the United States economy in the academic year 1999-2000;

Whereas, according to the Departments of State and Education, the proportion of international students choosing to study in the United States has declined from 40 to 30 percent since 1982;

Whereas international exchange programs, which in the past have done much to extend United States influence in the world by educating the world’s leaders, as well as educating United States citizens about other nations and their cultures, are suffering from decline; and

Whereas American educational institutions chartered in the United States but operating abroad are important resources both for deepening the international knowledge of United States citizens and for nurturing United States ideals in other countries; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring).

SECTION 1. SENSE OF CONGRESS ON THE ESTABLISHMENT OF AN INTERNATIONAL EDUCATION POLICY FOR THE UNITED STATES.

It is the sense of Congress that the United States should establish an international education policy to further national security, foreign policy, economic competitiveness, and promote mutual understanding and cooperation among nations.

SECTION 2. OBJECTIVES OF AN INTERNATIONAL EDUCATION POLICY FOR THE UNITED STATES.

An international education policy for the United States should strive to achieve the following:

(1) Enhance the educational infrastructure through which the United States produces citizens with a high level of international expertise, and builds a broad knowledge base that serves the United

(2) Promote greater diversity of locations, languages, and subjects involved in teaching, research, and study abroad to ensure that the United States maintains a broad international knowledge base.

(3) Significantly increase participation in study and internships abroad by United States students.

(4) Invigorate citizen and professional international exchange programs and promote the international exchange of scholars, support visas and employment policies that promote increased numbers of international students.

(5) Ensure that a United States college graduate has knowledge of a second language and of a foreign area, as well as a broader understanding of the world.

(6) Encourage programs that begin foreign language learning in the United States at an early age.

(7) Promote educational exchanges and research collaboration with American educational institutions abroad that can strengthen the foreign language skills and a better understanding of the world by United States citizens.

(8) Promote partnerships among government, business, and educational institutions and organizations to provide adequate resources for implementing this policy.

Amend the title so as to read: “Expressing the sense of Congress that the United States should establish an international education policy to further national security, foreign policy, and economic competitiveness, promote mutual understanding and cooperation among nations, and for other purposes.”

Mr. DeWINE. Mr. President, I ask unanimous consent that the committee amendment to the resolution be agreed to; that the resolution, as amended, be ordered to the President; that the amendment to the preamble be agreed to; that the preamble be amended, be agreed to; that the amendment to the title be agreed to; that the motion to reconsider be laid upon the table and any statements relating to the concurrent resolution be printed in the RECORD.

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

The committee amendment was agreed to.

The amendment to the preamble was agreed to.

The concurrent resolution (S. Con. Res. 7), as amended, was agreed to.

The preamble, as amended, was agreed to.

The title amendment was agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DeWINE. In executive session, I ask unanimous consent the Senate proceed to consideration of Calendar No. 31: Maj. Gen. Joseph M. Cosumano, Jr., to be Lieutenant General, and Tim McClain to be general counsel for the Department of Veterans’ Affairs.
I further ask unanimous consent the nominations be confirmed en bloc, the motion to reconsider be laid upon the table en bloc, that any statements relating to the nominations be printed in the RECORD, that the President be immediately notified, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

Maj. Gen. Joseph M. Cosumano, Jr., 0000

DEPARTMENT OF VETERANS AFFAIRS

Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

LEGISLATIVE SESSION

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

ORDERS FOR MONDAY, APRIL 23, 2001

Mr. DeWINE. On behalf of Majority Leader Lott, I ask unanimous consent that when the Senate completes its business today, it adjourn under the provisions of the adjournment resolution H. Con. Res. 93 until 12 noon on Monday, April 23, 2001. I further ask consent that on Monday, immediately following the prayer, the Journal or 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 begin a period of morning business until 2 p.m. with Senators speaking for up to 5 minutes each, with the following exceptions; Senator Durbin or his designee, 12 noon until 1 p.m.; Senator Thomas or his designee, 1 p.m. to 2 p.m.

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

PROGRAM

Mr. DeWINE. Mr. President, again, on behalf of Majority Leader Lott, I announce on Monday at 2 p.m. the Senate will begin the appointment of conference process with respect to the budget resolution. A vote is not necessary with respect to those motions, and therefore no votes will occur during Monday’s session.

Also, during that week, the Senate may be expected to consider S. 350, the brownfields bill, as well as other authorization bills that may be cleared.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. DeWINE. I ask unanimous consent that committees have between the hours of 12 noon and 2 p.m. on Tuesday, April 17, to file committee-reported legislative and executive items.

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

ORDER FOR ADJOURNMENT

Mr. DeWINE. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the provisions of H. Con. Res. 93 following the remarks of Senator Byrd.

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

Mr. Byrd. Mr. President, I thank the Chair and I thank the distinguished Senator from Ohio.

PRAISE FOR BUDGET MANAGEMENT

Mr. Byrd. Mr. President, allow me to express my appreciation to Mr. Domenici and Mr. Conrad for the excellent way in which they handled the concurrent resolution on the budget. They were fair, they were considerate, and they were very skillful in their performance. I also thank our two leaders, Mr. Lott and Mr. Daschle, for the excellent guidance they gave through their respective caucuses. I wish him and his lovely wife and family, especially for Lily, a happy Easter holiday.

EASTER

Mr. Byrd. Mr. President, some years ago I read a story by Tolstoy titled, “How Much Land Does A Man Need?” Inasmuch as a considerable time has gone by since I last read this story, perhaps I shall say at the beginning that I am largely summarizing the story.

The story told of a man who had land hunger. He had orchards and vast other properties, but he could never get enough land. One day there stood in his presence a stranger who promised him all the land that he could cover in a day for 1,000 rubles. The conditions were that he would have to start at sunrise and that he could travel all day and buy as much land as he could cover in a day for 1,000 rubles. He would be required to return to the starting point by sundown; otherwise he would lose both the land that he had covered and the 1,000 rubles.

So the man started out at last to get enough land. He took off his jacket, and as he surveyed the land before him, he thought that this was certainly the richest soil that he had ever seen and the land was so level that he felt that nothing had ever been done to it. He tightened his belt, and with the flask of water that his wife had provided to him, he began his journey.

At first he walked fast. His plan was to cover a plot of ground 3 miles square. After he covered the first 3 miles, he decided he would walk 3 more miles, and then he walked 3 more miles until at last he had covered 9 miles before he started upon the second side. As he went along, the land seemed to be ever, ever more level, and the soil ever more rich.

He completed the second side just as the Sun crossed the meridian. He sat down and ate the bread and the cheese that had been prepared by his wife. He drank most of the water from the flask, and then turned upon the third side. He completed the third side when the Sun was fairly high still in the heavens, but he was becoming quite tired. He took off his boots, which were becoming heavy, and put on his slippers. He turned upon the fourth side. But strangely enough, the land became less level and more hilly. His arms and legs were scratched by the briars, and his feet had been cut by the stones. The whole landscape had changed to the extent that it was very adverse to his being able to continue at the same pace as in the beginning.

The Sun kept dropping closer and closer to the horizon. He kept his eye on the goal. He could see the stranger, waiting at the starting point. His servant had accompanied him and had placed a stake at each corner as a marker for the ground that had been covered.

As the Sun was sinking low, the man had become very tired and no longer could he walk upright. He had to crawl on his hands and knees. He could see the dim face of the stranger waiting at the starting point, and upon that stranger’s face was a cruel smile. The man reached the starting point just as the Sun went down, but he had overtaxed his strength and he fell dead on the spot.

The stranger, who was called Death, said: “I promised him all the land he could cover. You see how much it is: 6 feet long, 2 feet wide. I have kept my pledge.” The servant dug the grave for him.

The moral of the story is this: that the love of material things and the greed for gain shrivel the soul and leave the life a miserable failure at last.

As we approach the blessed season of Easter, it seems to me to be appropriate to reflect a bit about these things which are put aside when compared with discussions concerning budget resolutions, taxes, projected surpluses, and so on. But once in a while I think it is good to return to the
Not too long ago, a majority of the Kansas State Board of Education acted to ban the teachings of Darwin—Charles Robert Darwin, a great British naturalist, concerning evolution in the classroom. There was an aroused interest in the subject. A new Board of Education recently restored evolution to the state science curriculum.

Several years ago, I read Charles Darwin's "Origin of the Species." I also read his book "The Descent of Man." I wanted to know what Darwin was saying. My intellectual curiosities were piqued. I wanted to read firsthand his theory about natural selection.

But reading Darwin did not shake my faith in a Creator. Reading Darwin only strengthened my belief in God's word, and strengthened my belief in the Creator, strengthened my belief in the Bible as a book that was written by man, but written through the inspiration from God.

Now, let me say, I do not claim to be good. My Bible says that no man is good. But I do claim to have been saved by grace through faith in Jesus Christ. They were not very well educated. They did not have much by way of this world's possessions. They could not give me much of anything. But they gave me their love, and they taught me to believe in the Scriptures.

And so the chronological account of the Creation—and I hold it right here in this book—as related in the Book of Genesis, seems to confirm my understanding of the chronology of Creation as outlined by science. I have done considerable reading of both—these Scriptures, and books and theses and materials on science.

I have three wonderful grandsons and two granddaughters remaining after the death of the oldest grandson. Two of those grandsons are physicists. They have their Ph.D.s in physics, not political science, which would be much easier, I suppose.

I have two fine sons-in-law, one of whom came to this country from Iran, where his father was a scientist, and who, by the way, is also a physicist.

I believe that.

I find myself quite out of step from time to time in this materialistic age and this increasingly materialistic society, for to express one's belief in a Supreme Being who created the heavens and the Earth, who made man in his own image, and made provision for a life beyond the grave, is looked upon by some as a lack of cultural sophistication.

One who adheres to traditional religious beliefs today will often find himself the possessor of views that are incompatible with a modern outlook.

Traditional religious beliefs are a thing of the past in some quarters. Our intellectual culture in this country, as we stand at the beginning of a new century, and at the beginning of a new millennium, appears to be dominated by skepticism, cynicism, agnosticism, and, alas, to some degree atheism.
that one of my sons-in-law is an Iranian. His father was a devout—a devout—worshiper in the religion of Islam.

I am like Samuel Adams. I am not a bigot. I can listen to anybody’s prayer and will listen to anybody’s prayer. But now, back to the subject.

I personally find the theory of evolution as set forth in Darwin’s book “The Origin of Species” to be an enormous piece of work, a marvelous, marvelous display of knowledge on the part of that great naturalist. It reflects great scholarship. It’s true—it’s true—I am not hesitant about saying it at all—but it also contains a great, a huge number of guesses, hypotheses, conjectures, presumptions, assumptions, mere opinions, and considerable guesswork.

For example, such phrases as the following are sprinkled throughout Darwin’s Origin: “We may infer,” “has probably played a more important part,” “it is extremely difficult to come to any conclusion,” “seems probable,” “may be safely attributed to the domestic duck flying much less and walking more, than its wild parents,” “I am fully convinced that the common opinion of naturalists is correct.” “hence, it must be assumed,” “appears to have played an important part,” “seems to have been the predominant power,” “something,” but how much we do not know, may be attributed to the definite action of the conditions of life. “Some, perhaps a great, effect may be attributed to the increased use or disuse of parts.”

Additional examples are these: “It is probable that they were once thus connected;” “that certainly at first appears a highly remarkable fact,” “it may be assumed,” “we have good reason to believe,” “it may be believed,” “these facts alone incline me to believe that it is a general law of nature,” “I conclude that,” “we must infer,” “we may suppose,” “I do not suppose that the phenomena we have observed,” “it is far more probable,” “nor do I suppose that the most divergent varieties are invariably preserved;” “if we suppose,” “but we have only to suppose the steps in the process,” “thus, as I believe, species are multiplied and genera are formed,” “may be attributed to disuse,” “we must suppose,” “we may conclude that habit, or use and disuse, have, in some cases, played a considerable part in the modification of the Constitution and structure,” “I suspect,” “it seems to be a rule that when any part or organ is repeated many times in the same individual, the number is variable, whereas the same part or organ, when it occurs in lesser numbers, is constant,” “the fair presumption is,” “it must have existed, according to my theory, for an immense period in nearly the same state;” “the most probable hypothesis to account for the reappearance of very ancient characters, is that there is a tendency in the young of each successive generation to produce the long lost character, and that this tendency, from unknown causes, sometimes prevails;” “by my theory, these allied species are descended from a common time;” “if my theory be true, “must assuredly have existed;” “may we not believe.”

I could go on and shall, indeed, go on for a brief moment. How long is a brief moment?

Here are some more: “it is inconceivable,” “it is therefore highly probable,” “it may be inferred,” “nor is it improbable,” “these organs must have been independently developed,” and so on, and so on, and so on and on.

Strange, isn’t that, while many of the devotes of Darwinism are agnostics, or even outright atheists, their idol shows no compunctions with reference to a supreme being.

Let me quote Darwin. I have been quoting Darwin, but I want to quote Darwin to show that he has no compunction with reference to a supreme being. He says:

May we not believe that a living optical instrument might thus be formed as superior to one of glass as the works of the creator are to those of man.

Darwin himself poses the key question. This is the key question, and it is meant for all of us. It will make us stop and think.

This is what Darwin asked:

Have we any right to assume that the Creator works by intellectual powers like those of man?

That is the question. That is where so many of us in this intellectual age, this cynical age, that is where so many of us trip over ourselves because we attempt to square God’s intelligence with our own. And thus, we become unbelievers or doubters simply because we can’t conceive of all of the marvels of creation and how they came about. Therefore, again, I cite this question by Darwin:

Have we any right to assume that the Creator works by intellectual powers like those of man?

Of course, with man’s finite, limited intellectual powers, man finds it difficult to conceive of that which his own puny mind cannot embrace. Hence, while the skeptics doubt the Biblical account of creation, they seem to go out of their way to find alternative theories. The problem is that the alternatives they propose border on the absurd.

Beyond all credibility is the credulousness of atheists who believe that chance could make a world, when it cannot build a house.

Some scientists say that life, and man himself, was the outcome of random mechanisms operating over the ages. From my very limited reading, I find that even the slightest tinkering with the value of gravity, or the slightest alteration in the strength of the electromagnetic force, would have resulted in a universe that is random and mechanical; instead, it is a universe of intricate order that reflects an unimaginably vast and intricate master design. The laws of physics that undergird the universe had to be fine-tuned from the beginning and expressly designed for the emergence of human beings. Human life did not come about by accident, the byproduct of material forces randomly churning over the ages, the fundamental constants of gravitational force and electromagnetic force necessary for producing life in the universe.

I have to believe that the evolution of the universe over many billions of years had, from the beginning, apparently been directed toward the creation of human life. From my very limited reading, I find that even the slightest tinkering with the value of gravity, or the slightest alteration in the strength of the electromagnetic force, would have resulted in the wrong kind of stars, or no stars at all. Any weakening of the nuclear “strong” force would have resulted in a universe consisting of hydrogen and not a single other element. That would mean no oxygen and no water—nothing but hydrogen. Even the most minuscule tinkering with the fundamental forces of physics—gravity, electromagnetism, nuclear strong force, or the nuclear weak force—would have resulted in a universe consisting
entirely of helium, without protons or atoms, a universe without stars, or a universe that collapsed back in upon itself before the first moments of its existence were up. Even such basics of life as oxygen and water depend upon "fine-tuning" at the subatomic level.

Think for a moment about the very nature of water, H2O, which is so vital to life. Unique among the molecules, water is lighter in its solid form than in its liquid form. Ice floats. Every country boy knows that—a country boy like me. I learned a long time ago that ice floats—not just Ivory soap, but ice floats. If it did not float, the oceans would freeze from the bottom up, killing all forms of life there in, and the Earth would now be covered with solid ice.

Witness the vast order that pervades the universe! Could random variation have, even in the longest stretch of the imagination, created such magnificent order in the universe? Could chance have hit upon the order that we see all around us? To believe that it could is to believe that a monkey with a typewriter would eventually type the complete works of Shakespeare. But would he? Would he not more likely produce an infinity's worth of gibberish? Regardless of the number of days or the length of time available, what monkey could ever provide a single day's worth of typing Shakespeare—by random, by accident, by chance—let alone the complete works? The works of Shakespeare are complex enough, but they are small potatoes compared to the universe.

Random selection is not the magic bullet that some biologists would hope. One cannot explain away the order in nature by reference to a purely random process. To pretend otherwise is to stuff the science fiction.

Mr. President, as we depart this city for the holidays, let us remember the old, old story. Let us pause at Easter time and think on these things. I close.

Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me; thy rod and thy staff they comfort me.

The Lord is my shepherd; I shall not want.

The Lord is my shepherd; I shall not want. He maketh me to lie down in green pastures: He leadeth me beside the still waters.

Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over.

Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the Lord for ever. Happy Easter!

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

EXECUTIVE SESSION

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

Mr. BYRD. I thank the Chair and I yield the floor.

ADJOURNMENT UNTIL MONDAY, WEDNESDAY, APRIL 25, 2001

The PRESIDING OFFICER. There being no further business to come before the Senate, the Senate adjourned until the hour of 12 noon on April 23, 2001, under the previous order.

Thereupon, the Senate, at 4:02 p.m., adjourned until Monday, April 23, 2001, at 12 noon.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate April 6, 2001:

THERESA J. ASKEY, OF TENNESSEE, TO BE DIRECTOR OF THE TRADE AND DEVELOPMENT AGENCY, VICE J. JOSEPH GRANDMAISON.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PITTS R. INGALLS, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE MARGARET ANN HAMBURG, RESIGNED.

DEPARTMENT OF JUSTICE

CHARLES A. JARVIS, JR., OF VIRGINIA, TO BE AN ATTORNEY GENERAL, VICE JOEL I. KLEIN, RESIGNED.

DEPARTMENT OF COMMERCE

MARY ANN JONES, OF VIRGINIA, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERICAL SERVICE, VICE MAJORIE E. SHARING.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601.

To be lieutenant general

MAJ. GEN. DONALD A. LAMONTAIGNE, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general

LT. GEN. LANCE W. LORD, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general

MAJ. GEN. TIMOTHY A. KINNAN, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general

MAJ. GEN. RICHARD V. RYNOLE, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be general

LT. GEN. WILLIAM J. BIGGS, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601.

To be lieutenant general

MAJ. GEN. ROY R. REAUCHAMP, 0000

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601.

To be lieutenant general

MAJ. GEN. GABBY L. PARKS, 0000

DEPARTMENT OF HEALTH AND HUMAN SERVICES

WADD D. BROWN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, VICE OLIVIA A. GOLDEN, RESIGNED.

SCOTT WHITAKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE RICHARD J. TARPLIN, RESIGNED.

DEPARTMENT OF VETERANS AFFAIRS

MARGARET ANN HAMBURG, RESIGNED.
DEPARTMENT OF LABOR

CHRIS SPEAR, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

KRISTINNE ANN IVERSON, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF LABOR.

(THE ABOVE NOMINATIONS WERE CONFIRMED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE CONSTITUTED COMMITTEES OF THE SENATE.)

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C. SECTION 601:

Maj. Gen. JOSEPH M. COSUMANO JR., 0000

To be lieutenant general