Four, support health care providers who perform prenatal tests and deliver results; and

Five, authorize a study of the effectiveness of existing health care and family support services for children with disabilities and their families.

The need for this legislation and the public dialogue I hope it encourages could not be more urgent. Medical science has provided the opportunity to obtain a massive amount of information about our own bodies and health and that of our children. But I am concerned that our ethical dialogue has not kept pace with new ethical challenges. We have been able to screen for certain conditions in the womb for quite some time now, but I am concerned that we don't have a great track record for handling that information very well. For some conditions that can be detected in the womb, such as Down Syndrome, we are aborting 80 percent or more of the babies who test positive. The effect of this sort of ''weeding out'' represents a sort of new eugenics, a form of systematic, disability-based discrimination.

Worse, trends suggest that this atrocity doesn't just end in the womb. The Netherlands has recently enacted policies that make it acceptable for doctors to end the lives of terminally ill children up to age 12, resulting in about 100 cases of pediatrician-induced homicides of children with severe handicaps each year. Belgium is considering similar policies. Unfortunately, these policies are starting to trickle into our own country. In Texas, a court recently upheld a hospital's decision to remove life support from a 6-month-old handicapped baby, against his mother's wishes.

It sounds too crazy to be true, but it is not just fringe thinking—leading so-called ethics experts have supported the killing of children with disabilities, such as Princeton Professor Peter Singer, who wrote in 1993 in his book Practical Ethics, ''killing a defective infant is not morally equivalent to killing a person . . . sometimes it is not wrong at all.'' These ideas echo back to Nazi Germany, and, unfortunately, there is a tragic history, even in our own country, of abuse of institutionalized people with disabilities, only a few decades ago. Once one goes down the path of valuing some lives more than others, of saying that people with disabilities don't have the same dignity and right to live as others, there are very few means that don't justify the so-called ''worthy end'' of a disability-free society.

When I see beautiful children with Down Syndrome, spina bifida and other differences, I can't imagine why our society would ever condone this sort of unnatural selection. We don't want a world where parents feel driven to justify their children's existence. In addition to the many abilities that people with disabilities have which are equivalent to others, these individuals so often have a perspective the rest of us don't have. We learn compassion, heroism, humility, courage and self-sacrifice from these special individuals, and their gift to us is to inspire us, by their example, to achieve these virtues ourselves.

Published surveys suggest that our legislation is desperately needed. A survey of 499 primary care physicians delivering a prenatal diagnosis of Down Syndrome to expectant parents found that 10 percent actively ''urged'' parents to terminate the pregnancies, and 13 percent indicated that they ''emphasized the negative aspects of Down Syndrome so that parents would favor a termination.''

This bill offers support to ensure that prenatal testing need not be a negative experience for those whose children are diagnosed with a condition like Down Syndrome. For instance, some pregnant women might choose to carry their child to term if they knew there were waiting lists of families willing to adopt children with Down Syndrome. Some parents might be reassured about keeping their children if they were able to spend some time talking with a family that has a special needs child about their real-life experience. Some parents would be helped by hearing a positive message about the potential and joy of living with children with disabilities, while also being presented with a realistic assessment of the challenges.

There are many people to thank for helping prepare this bill for introduction, and I hope they will continue to help us as we move this bill towards the President's desk. In particular, I am honored to have my friend the senior Senator from Massachusetts as a lead Democrat on this bill. Senator KENNEDY is an incredible champion for people with disabilities. As we have worked together, he has educated me about some of the challenges faced by families with children with disabilities. In particular, I want to thank Connie Garner on Senator KENNEDY's staff, whose tireless advocacy for the dignity and rights of people with disabilities has been an inspiration to me and my staff.

Many thanks to our partners in the House of Representatives, who I hope will speedily pass the companion version of this bill, especially lead sponsor Chairman SENSENBRENNER. Key House support has also come from my friend Congressman PETE SESSIONS and Congressman JOHN HOSTETTLER.

I urge my colleagues to co-sponsor this legislation and I look forward to working with my colleague from Wyoming, the Chairman of the Committee on Health, Education, Labor and Pensions, and the majority leader, to speed Senate passage of this important legislation.

FRATERNAL BENEFIT SOCIETIES

Mr. SANTORUM. Mr. President, on January 27, the staff of the Joint Committee on Taxation released a report requested by Senate Finance Chairman GRASSLEY and the ranking member, Senator MAX BAUCUS, entitled ''Options To Improve Tax Compliance and Reform Tax Expenditures.'' While I fully expect that many of the recommendations will be the subject of extended debate in the Senate over the coming year, I want to highlight one recommendation that should be rejected immediately: the joint committee staff's proposal to revoke the tax-exempt status of fraternal benefit societies.

Beginning with the Tariff Act of 1894, every Federal tax law has contained a specific exemption for fraternal benefit societies, and with good reason. These organizations, some of which have existed since the Civil War, are a major force for good in America today. Last year, for example, these organizations incurred almost $360 million in direct fraternal and charitable expenditures, while their individual members devoted more than 80 million volunteer hours—valued at $1.4 billion—in community and social services. Fraternal benefit societies support their communities in every possible way, including helping families with critically ill children, supporting homeless shelters and homes for the aged, raising funds and supporting local food banks, repairing playgrounds and other community facilities, and helping underprivileged youth stay away from drugs. Fraternal benefit societies are among our Nation's most important first responders; they acted quickly to provide almost $17 million in financial relief to families affected by 9/11, and have raised upwards of $8 million in tsunami relief and counting.

What makes this extraordinary effort possible is the requirement under the Internal Revenue Code that fraternal societies also make available to their members insurance against death, disease, and disability, a tradition of mutual aid that goes back to the earliest days of fraternalism. I am troubled, Mr. President, by the fact that the Joint Committee staff has dredged up an old idea that has been rejected once before. In 1984, the Treasury Department made a similar recommendation that resulted in Congress mandating an extensive study of fraternal benefit societies that was issued in 1993. In that study, Treasury concluded that fraternal societies do not use their tax exemption to compete unfairly against commercial insurers, but instead, use the revenues from insurance to support their fraternal and charitable activities. Treasury left the decision up to Congress, but noted that if the exemption was taken away, these fraternal and charitable activities would be extinguished.

If anything, the rationale for encouraging fraternal benefit societies is greater today than it has been at any other time in our history. Fraternal societies have shown us that the private sector can and will step in to make a difference. As our need for fraternal societies has grown, so too has their devotion to our communities. Fraternal and charitable expenditures were approximately $242 million in 1985, and the number of volunteer hours on behalf of society members was just over 26 million. Last year fraternal and charitable expenditures were almost $365 million and the number of volunteer hours had grown to 83 million. At the same time, the share of the insurance market represented by fraternals during this time period has remained steady at around 1.5 percent. In other words, the good that these organizations do has gone way up; they are no more a threat to commercial businesses today than they were 20 years ago. Moreover, I can tell you from personal experience that the 10 million Americans who join fraternal societies are more devoted today to the cause that brought them together—whether religious, patriotic, or a shared heritage—than ever before. Pennsylvania is fortunate to be home to many of these organizations and dedicated citizens.

The Joint Committee staff has concluded that revoking the tax-exemption of fraternal benefit societies would raise $500 million over 10 years. This pales by comparison to the $4 billion that fraternal societies are likely to put back into their communities over the same time frame in direct fraternal and charitable expenditures, and the annual $1.4 billion that their members devote in volunteer time throughout the country.

Recognizing the importance of fostering this type of private sector support for our communities, it is interesting to note that the platform of the Republican National Committee in 2004, 2000, and 1996 contained the following statement: ''Because of the vital role of religious and fraternal benevolent societies in fostering charity and patriotism, they should not be subject to taxation.''

Mr. President, it often has been said that the power to tax is the power to destroy. This is the time to encourage, not destroy, organizations that devote themselves to social good, organizations from which this Nation has benefited immeasurably for more than 150 years. As Congress concluded in 1985, let us again make sure that this joint committee recommendation is taken off the table.

TAXATION OF FEMA DISASTER MITIGATION GRANTS

Mr. BOND. Mr. President, last week I introduced a bill, S. 586, as an alternative to my previous bill, S. 290, regarding the taxation of FEMA disaster mitigation grants. Both bills are designed to prevent the IRS from taxing these grants.

With the help of Senators VITTER, TALENT, VOINOVICH, NELSON, FEINSTEIN, and LANDRIEU, I introduced this new legislation as a companion to Congressman MARK FOLEY's bill, H.R. 1134, in House of Representatives. I commend Mr. FOLEY for his hard work and dedication to this proposal. Also, I commend the Department of Treasury for recognizing the serious nature of this issue and committing to work with Congress to resolve it.

This new legislation adds additional language to ensure that FEMA disaster mitigation grant recipients do not abuse the tax-free nature of the grant by capitalizing on the increased value of his/her property. In addition, the new language provides for a prospective effective date.

It is important to note, however, that the President's budget proposal gives the Treasury Department the administrative authority to apply the policies of S. 586 and H.R. 1134 to cases involving mitigation payments where the statue of limitations has not expired. It is my understanding that the Department of Treasury has agreed to issue a notice to the IRS clearly indicating that, in accordance with the policies of S. 586 and H.R. 1134, those taxpayers who are in receipt of these mitigation grants prior to the enactment of this legislation will not be subject to extra tax liabilities.

This legislation came about as a result of a direct threat by the IRS to tax these disaster mitigation grants. As I have said before, I am absolutely stunned at this latest antic by the IRS. The last thing Americans who are working to prevent potential destruction from floods, tornadoes, and hurricanes need is for Government-grant funding to be subject to tax. My bill ensures that the IRS's disaster tax does not see the light of day.

I ask unanimous consent that two letters from the Department of Treasury be printed in the RECORD. These letters are written to the chairmen of both the Senate Finance Committee and the House Ways and Means Committee expressing support for S. 586 and H.R. 1134 and committing to prevent retroactive taxation at the request of Congress.

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

DEPARTMENT OF THE TREASURY,
Washington, DC., March 14, 2005.

Hon. CHARLES GRASSLEY,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR CHAIRMAN GRASSLEY: I am writing to express the Administration's support for legislation to provide tax relief to property owners who participate in Federal Emergency Management Agency (FEMA) hazard mitigation projects, specifically H.R. 1134 and S. 586 sponsored by Representative Mark Foley and Senator Bond respectively.

FEMA provides grants through State and local governments to mitigate potential damage from future natural hazards. Examples of mitigation projects include demolition, retro-fitting, and elevation of buildings. As a result, these grant projects are distinguishable from other grant programs in that their goal is to avoid the larger costs of damage that otherwise would be compensated in the future out of the taxpayer funded Disaster Relief Fund, National Flood Insurance Program, other Federal assistance programs, and State, local and private sources. Through hazard mitigation programs, FEMA has funded community mitigation projects affecting individual properties for over fifteen years. In particular, FEMA makes grants under the Flood Mitigation Assistance program, the Hazard Mitigation Grant Program, and the Pre-Disaster Mitigation program.

Under current law, gross income generally includes all income from whatever source derived. Generally, the mitigation grants from FEMA (or construction services paid by grants) represent income to the recipients. Under specific statutory and administrative exceptions, gross income does not include certain government payments made to individuals in response to need resulting from particular disasters. However, grants under the three FEMA mitigation programs described above often are made in anticipation of future disasters and other natural hazards and are not need based. Consequently, the mitigation grants generally do not qualify for these specific exceptions.

Similarly, if a property owner participates in a FEMA-assisted acquisition of his or her property, the property owner generally is required to include in income any gain from the sale of the property (subject to the $250,000/$500,000 exclusion from income of gain from the sale of a principal residence).

By explicitly excluding FEMA mitigation grants from income, the Foley/Bond legislation provides tax relief to home and property owners that receive the grants. Because participation by property owners in FEMA projects is voluntary, there is concern that owners of at-risk properties might decline to participate because of the potential tax obligation under current law, thus adding to long term taxpayer funded recovery costs. This presents a potential impediment to the policy Congress initially sought to implement through these grant programs.

Finally, it is also my understanding that the effective dates of the Foley/Bond legislation are prospective and that the tax exemption for these FEMA mitigation grants will be recognized upon date of enactment of the bill. Because the issue of retroactivity is also one of fairness, it is our hope that Congress, consistent with the Administration's budget proposal, will encourage the Treasury Department to provide retroactive relief to those individuals who have utilized FEMA mitigation grants in the past.

I commend the House for acting quickly to address this issue and urge the Congress to send this legislation to the President for his signature.

Sincerely,

JOHN W. SNOW.

DEPARTMENT OF THE TREASURY,
Washington, DC, March 14, 2005.

Hon. WILLIAM THOMAS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN THOMAS: I am writing to express the Administration's support for legislation to provide tax relief to property