States Code, permanent; to the Committee on the Judiciary.

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

S. 685. A bill to preserve the authority of States over water within their boundaries, to delegate to States the authority of Congress to regulate water, and for other purposes; to the Committee on the Judiciary.

By Mrs. BOXER (for herself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. REED, Mr. SCHUMER, and Mr. TORRICELLI):

S. 686. A bill to regulate interstate commerce by providing a Federal cause of action against firearms manufactures, dealers, and importers for the harm resulting from gun violence; to the Committee on the Judiciary.

By Mr. HARKIN:

S. 687. A bill to direct the Secretary of Defense to eliminate the backlog in satisfying requests of former members of the Armed Forces for the issuance or replacement of military medals and decorations; to the Committee on Armed Services.

By Mr. HELMS:

S. 688. A bill to amend the Foreign Assistance Act of 1961 to reauthorize the Overseas Private Investment Corporation; from the Committee on Foreign Relations; placed on the calendar.

By Mr. GRASSLEY (for himself and Mr. GRAHAM):

S. 689. A bill to authorize appropriations for the United States Customs Service for fiscal years 2000 and 2001, and for other purposes; to the Committee on Finance.

By Mr. SARBANES (for himself, Mr. REID, Mr. MURKOWSKI, Mrs. BOXER, Mr. KENNEDY, Mr. MOYNIHAN, Mr. SCHUMER, Mr. KERRY, and Mrs. MURRAY):

S. 690. A bill to provide for mass transportation in national parks and related public lands; to the Committee on Energy and Natural Resources.

By Mr. ALLARD:

S. 691. A bill to terminate the authorities of the Overseas Private Investment Corporation; to the Committee on Foreign Relations.

By Mr. KYL (for himself and Mr. BRYAN):

S. 692. A bill to prohibit Internet gambling, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. TORRICELLI:

S. Res. 72. A resolution designating the month of May in 1999 and 2000 as ''National ALS Awareness Month''; to the Committee on the Judiciary.

By Mr. DEWINE (for himself, Mr. COVERDELL, Mr. GRAHAM, and Mr. DODD):

S. Res. 73. A resolution congratulating the Government and the people of the Republic of El Salvador on successfully completing free and democratic elections on March 7, 1999; to the Committee on Foreign Relations.

By Mr. BIDEN (for himself, Mr. WARNER, Mr. LEVIN, Mr. BYRD, Mr. MCCONNELL, Mr. HAGEL, Mr. STEVENS, Mr. LAUTENBERG, Mr. LIEBERMAN, and Mr. ROBB):

S. Con. Res. 21. A concurrent resolution authorizing the President of the United States to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia (Serbia and Montenegro); considered and agreed to.

By Mr. DODD (for himself and Mr. GRASSLEY):

S. Con. Res. 22. A concurrent resolution expressing the sense of the Congress with respect to promoting coverage of individuals under long-term care insurance; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself, Mr. LEVIN, and Mr. BRYAN):

S. 678. A bill to establish certain safeguards for the protection of purchasers in the sale of motor vehicles that are salvage or have been damaged, to require certain safeguards concerning the handling of salvage and nonrebuildable vehicles, to support the flow of important vehicle information to the National Motor Vehicle Title Information System, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SALVAGED AND DAMAGED MOTOR VEHICLE INFORMATION DISCLOSURE ACT

• Mrs. FEINSTEIN. Mr. President, today I am introducing legislation on behalf of myself and Senators LEVIN and BRYAN that will offer consumers protection against unknowingly purchasing a vehicle that has been rebuilt after sustaining substantial damage in an accident.

The sale of rebuilt vehicles that have been wrecked in accidents has become a major national problem. According to the National Association of Independent Insurers, about 2.5 million vehicles are involved in accidents so severe that they are declared a total loss. Yet, more than a million of these vehicles are rebuilt and put back on the road.

In a report to the state Legislature, the California Department of Consumer Affairs found, with respect to California alone ''More than 700,000 structurally damaged and 150,000 salvaged vehicles are returned to streets and highways every year without a safety inspection, and they pose a potential hazard to all of California's twenty million unsuspecting motorists.''

In many cases, ''totaled'' cars are sold at auction, refurbished to conceal prior damage, then resold to consumers without disclosure of the previous condition of the car. The structural integrity of these vehicles has been so severely weakened that the potential for serious injury in an accident is greatly increased.

In one case, a teenage who purchased a rebuilt wreck was rendered quadriplegic after an accident in which her vehicle rolled 360 degrees at about five miles an hour. The vehicle had been in a previous accident. It had been badly repaired and then resold without disclosure of its previous condition. The vehicle's roof was replaced after the first accident, but in the subsequent accident, the roof collapsed when the substandard welds failed.

In another incident, a mother purchased a Honda Prelude for her daughter's high school graduation. Although only hail damage was reported at the time of sale, the car had actually been totaled in Texas and rebuilt in Arkansas. The repair shop acknowledged that they had spent only about $3,000 on repairs, despite an insurance company's estimate of over $10,000 worth of damage. The inadequate repair resulted in the collapse of the right front suspension inflicting a debilitating head injury on the driver.

In yet another case of fraud, Jimmy Dolan bought a used Toyota from a dealership in Clovis, California. The odometer had only 19,000 miles on it and he was told the car was like new and in original condition. In fact, that was untrue. The previous owner had been involved in a serious accident that required $8,700 in repairs. After a series of problems with the car, the original owner took it back to the dealership and traded it in. The dealership then resold the car to Jimmy Dolan for almost $14,000.

After only a minor accident, Mr. Dolan found out the truth about his car. He managed to trace the car back to the original owner who described the extent of the damage. Despite having full knowledge of the vehicle's history, the dealership refused to give Dolan a refund. Eventually, he had to file a civil lawsuit to recoup his losses.

These are just three cases in which serious physical and financial losses were inflicted on innocent victims who unknowingly purchased a vehicles that had sustained major damage.

The bill that I am introducing will address the problem of rebuilt wrecks by: providing nationwide written disclosure for every vehicle sale of previous salvage and major damage; providing widespread coverage for all vehicles including vehicles of any age or value, motor homes, pickups, and motorcycles; allowing states to maintain existing salvage laws; strengthening the Federal rebuilt vehicle database to promote instant access to vehicle accident histories for consumers, dealers, and law enforcement; requiring certification by a qualified repair facility of the proper repair of any salvage vehicle before it is returned to the road.

This bill has been endorsed by the Attorneys General of California, Connecticut, Iowa, and Michigan. In a letter of support, Attorneys General Blumenthal, Lockyer, and Miller state that this bill ''has strong disclosure requirements that will put consumers on notice before they agree to buy a car concerning any prior collision or flood damage.''

They also state ''We especially appreciate that this bill tracks the Resolution adopted in 1994 by the National Association of Attorneys General. That Resolution calls for the strong national standards and remedies that are provided for in this bill.''

Mr. President, I submit this letter for the RECORD.

This bill also has the support of a number of consumer advocates including: Center for Auto Safety, Consumer

Federation of America, Consumers for Auto Reliability and Safety, Consumers Union, National Association of Consumer Advocates, Public Interest, and U.S. Public Interest Research Group.

In a letter of support from the National Association of Consumer Advocates, Pat Sturdevant writes ''This bill is entirely consistent with views of the major national consumer groups in that it would require disclosure of major damage to vehicles. Provide broad coverage of most used vehicles, prevent laundering or washing of titles to conceal prior damage, provide for effective criminal and civil enforcement, and provide a minimum standard of consumer protection while allowing states to offer stronger protection to their citizens.''

I submit this letter for the RECORD.

The bill is also strongly supported by the Automotive Recyclers Association and the Auto Dismantlers Association.

Mr. President, there is no question that the sale of rebuilt vehicles is a major national problem. We need to insure that we provide the proper solution. I believe that this bill is that solution and I urge my colleagues to support it.

I want to thank the Senators from Michigan and Nevada for their assistance with this legislation. Their input and support has been invaluable to the development of this bill. I ask that letters in support of the bill be printed in the RECORD.

The material follows:

OFFICE OF THE ATTORNEY GENERAL,
STATE OF CONNECTICUT,
March 18, 1999.

Hon. DIANNE FEINSTEIN,
U.S. Senator, Washington, DC.

Re: The Salvaged and Damaged Motor vehicle Information Disclosure Act

DEAR SENATOR FEINSTEIN: We are writing in order to express our support for the Salvaged and Damaged Motor Vehicle Information Disclosure Act, a bill which we understand you and Senators Levin and Bryan intend to offer.

We are very aware of the harm caused to consumers who unwittingly purchase used cars that had sustained major damage. They not only pay far more than the vehicle's market value, they may be placing themselves and their families in danger.

Despite state efforts to vigorously enforce state laws requiring car sellers to make salvage and damage disclosures, the problem continues to be our nation's top consumer compliant regarding used car sales. It is right for Congress to act. However, in acting, Congress must protect consumers, while permitting the states flexibility to deal with this growing problem.

Your draft bill achieves those two major goals. It has strong disclosure requirements that will put consumers on notice before they agree to buy a car concerning any prior collision or flood damage. It uses definitions that provide strong baselines of protection, while permitting individual states to impose tougher standards, if that is their choice. It effectively deals with the problem of ''title-washing'' by ensuring that information about prior collision or flood damage remains on vehicle titles, regardless of the state of titling. Finally, it provides strong remedies, by subjecting violations to criminal penalties, civil law enforcement actions by state attorneys general, and substantial private civil remedies.

We especially appreciate that this bill tracks the Resolution adopted in 1994 by the National Association of Attorneys General. That Resolution calls for the strong national standards and remedies that are provided for in this bill.

Another reason we support this bill is that it follows the successful mode of the federal odometer law, originally enacted in the 1970's. That law provided for the same types of strong national standards and remedies found in your bill. States have relied on the federal odometer law to file many civil and criminal law enforcement actions against odometer spinners and have recovered millions of dollars in restitution for consumers. Strong federal and state enforcement, plus the private actions brought under the odometer law, have put a real dent in odometer fraud. We look forward to similar results as we join forces to tackle auto salvage fraud.

Thank you for your leadership on this issue. We look forward to working with you in the fight to protect used car buyers.

Very truly yours,
RICHARD BLUMENTHAL,
Attorney General of Connecticut.
BILL LOCKYER,
Attorney General of California.
TOM MILLER,
Attorney General of Iowa.

NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES,
March 19, 1999.

DEAR SENATORS FEINSTEIN, LEVIN AND BRYAN: We are a consumer protection organization very concerned about the safety hazard posed by the resale of rebuilt wrecked cars. We strongly support the national salvage and damaged motor vehicle disclosure bill which you intend to offer because it will protect consumers against the unsuspecting purchase of a rebuilt wrecked car. This would require disclosure of major damage to vehicles, provide broad coverage of most used vehicles, prevent laundering or washing of titles to conceal prior damage, provide for effective criminal and civil enforcement, and establish a federal minimum standard of consumer protection while allowing states to offer stronger protection to their citizens. The bill is consistent with the recommendations embodied in the 1994 Resolution of the National Association of Attorneys General and adopted by the Attorneys General of all 50 states, so we anticipate that it will receive broad support from law enforcement.

We remain strongly opposed to competing legislation, which the Washington Post termed ''controversial'' and featured as a example of ''special interest'' legislation. That bill was opposed by the Attorneys General of 39 states, encountered major opposition in the House, and was removed from the Omnibus Appropriations package after objection by the White House. The current measure remains flawed, failing to cover more than half the used cars on the road, and eliminating many of the state law protections that consumers now have against unscrupulous sellers of rebuilt wrecks. Its definitions of ''flood'' and ''nonrepairable'' vehicles are extremely loose, and its standard of proof and weak and inadequate enforcement mechanism would do nothing to deter the fraudulent sale of dangerous rebuilt wrecks.

It can hardly be disputed that automobile salvage fraud is a serious problem which requires federal action. Each year, more than one million ''totalled'' cars are rebuilt and sold to unsuspecting consumers. These consumers need protection from salvage fraud. I am looking forward to continuing to work closely with leading state Attorneys General on this important public safety issue, and would welcome the opportunity to wok with you and your staffs in obtaining the genuine reform which your pro-consumer bill will provide.

Sincerely yours,
PATRICIA STURDEVANT.●

● Mr. LEVIN. Mr. President, today I am introducing legislation along with my colleagues, Senators FEINSTEIN and BRYAN, that will protect consumers from the unscrupulous practice known as ''title washing'' the current practice of selling rebuilt wrecks to unsuspecting buyers. The objective of this legislation is to make it more difficult for unscrupulous auto sellers to conceal the fact that a vehicle has been in an accident by transferring the vehicle's title in a state with lower standards than where the vehicle is ultimately sold.

In developing this bill, Senators FEINSTEIN and BRYAN and I worked closely with national consumer protection groups and a number of state Attorneys General. We have crafted a bill that is truly consumer protective and sets high national standards that did not previously exist. We took great care to ensure that our bill would not preempt the rights of states to retain or enact laws that exceed the minimum federal standards in this bill.

National automobile salvage title legislation is needed because there is no uniform standard for when a vehicle must be declared salvage or nonrepairable. About 2.5 million cars are severely damaged in auto accidents each year. More than half of them are returned to the road. Many of these rebuilt cars are sold to unsuspecting consumers without disclosure of the car's prior history, increasing the chance of serious injury to the drivers and passengers of these rebuilt cars. The National Association of Attorneys General estimates that the sale of rebuilt or salvaged motor vehicles as undamaged, costs the motor vehicle industry and consumers up to $4 billion annually.

Currently, some states, like Michigan and California and others, have tough consumer protection laws dictating when a vehicle's title must be branded as salvage or nonrepairable, but other states do not. Unfortunately, unscrupulous people now take advantage of this lack of uniformity and take wrecked vehicles to states with low or no standards to retitle them and thus wipe out the vehicle's prior damage history.

Our bill would provide for uniform standards of nationwide seller disclosure for every vehicle sale of previous salvage and major damage vehicles, and ensure these title brands are carried forward with all titles each time

the vehicle is sold. This proposal is consistent with the National Association of Attorneys General auto salvage resolution adopted in 1994.

This bill also has the support of Michigan's Attorney General, who wrote in a letter endorsing the bill,

This bill will further empower consumers to have more information available in making an informed decision about what is generally their second most costly purchase, motor vehicles used for personal transportation. I urge Congress to enact this bill.

The salvage title requirements in our bill are modeled after the successful 25 year old federal odometer law which requires the milage of a vehicle to be disclosed before a vehicle can be transferred. This law requires each seller to fill out a statement on the odometer reading that verifies its accuracy and a vehicle buyer cannot get a state title without this disclosure on the title. Our bill would work in a similar manner.

Our bill is basically a disclosure bill. It requires that whenever a vehicle's title is transferred, the seller must disclose in writing to the buyer any accident history of the vehicle which includes: salvage, flood, nonrepairable or major damage. Our bill defines ''salvage'', ''flood'', ''nonrepairable'' and ''major damage'' to provide broad disclosure and to protect consumer safety. These definitions are consistent with recommendations from the state Attorneys General.

Mr. President, in conclusion, the sale of rebuilt wrecks to unsuspecting buyers is a serous problem and should be stopped as soon as possible. The Feinstein, Levin, Bryan bill will do just that by establishing uniform disclosure standards for all vehicle sales and requiring all states to carry forward this disclosure on the vehicle's title. Simply put, our bill will put an end to title-washing.

I ask that additional materials be printed in the RECORD.

The material follows:

RESOLUTION ADOPTED BY NATIONAL ASSOCIATION OF ATTORNEYS GENERAL, MARCH 20–22, 1994

MANDATORY DISCLOSURE OF SALVAGE HISTORY AND MAJOR DAMAGE TO MOTOR VEHICLES

Whereas, motor vehicles which are severely damaged or declared a ''total'' loss are often subsequently rebuilt or salvaged and then resold; and

Whereas, the fact that a vehicle is rebuilt or salvaged is material to any subsequent sale of the vehicle; and

Whereas, not all states require that a vehicle's salvage history be marked on the vehicle's title or that such a title brand be carried forward on new titles issued or that a vehicle's salvage history be disclosed to subsequent purchasers; and

Whereas, branding the title is an effective means of allowing dealers, subsequent purchasers and law enforcement authorities to track a vehicle's true history and has been supported by NAAG for tracking vehicles returned under state lemon laws; and

Whereas, it is estimated that the sale of rebuilt or salvaged motor vehicles as undamaged, costs the motor vehicle industry and consumers up to $4 billion annually;

Now, therefore be it

Resolved, That the National Association of Attorneys General:

1. Supports federal legislation that:

a. creates a uniform definition of a ''salvage vehicle'' as a vehicle declared a total loss by an insurance company or where the retail cost to repair the vehicle exceeds 65 percent of its fair market value immediately prior to being damaged; and

b. requires that each transferor of a motor vehicle disclose to the transferee orally and in writing at or before the time of sale, whether the vehicle is a salvage vehicle and whether the vehicle has suffered major damage; and

c. requires that each applicant for a motor vehicle title disclose, on the application, whether the motor vehicle is a salvage vehicle and whether the vehicle has suffered major damage; and

d. requires that each motor vehicle title issued, conspicuously show whether the motor vehicle is a salvage vehicle and whether the vehicle has suffered major damage, if that information is disclosed on the title application or on any title previously issued by that state or another state; and

e. provides for recovery of actual damages, minimum statutory damages of $5,000 and attorneys fees, where appropriate, by consumers injured by violation of the statute, and

f. provides the civil enforcement by state Attorneys General which includes injunctive relief, civil penalties and restitution; and

h. provides for criminal penalties of up to $50,000 and imprisonment for up to three years for each willful violation; and

i. does not preempt state laws which provide greater protection for consumers as long as state provisions are not inconsistent with the federal law; and

2. Authorizes its Executive Director and General Counsel to make these views known to all interested parties.

STATE OF MICHIGAN, DEPARTMENT OF ATTORNEY GENERAL,
Lansing, MI, March 19, 1999.

Re Salvaged and Damaged Motor Vehicle Information Disclosure Act

Hon. CARL LEVIN, U.S. SENATE, WASHINGTON, DC.

DEAR SENATOR LEVIN: I am writing regarding your efforts to provide greater protection for American consumers who purchase used motor vehicles that have previously suffered major damage or been salvaged prior to being repaired, rebuilt and put back on the roadways. I believe that it is essential for consumers to be informed of the prior condition of their vehicle so that they may have all available material facts at their disposal in making an informed decision whether to purchase a motor vehicle.

Not only will your bill mandate disclosure of major damage or salvage conditions, but the bill will also provide an enforcement mechanism including damages and award of attorneys fees to victims, civil penalties and criminal sanctions. I also endorse the section of the bill that empowers state attorneys general to enforce this law through injunction relief or actions for damages.

This bill will further empower consumers to have more information available in making an informed decision about what is generally their second most costly purchase, motor vehicles used for personal transportation. I urge Congress to enact this bill.

Sincerely yours,

JENNIFER M. GRANHOLM,
Attorney General.

By Mr. GRAMS:

S. 679. A bill to authorize appropriations to the Department of State for construction and security of United States diplomatic facilities, and for other purposes; to the Committee on Foreign Relations.

SECURE EMBASSY CONSTRUCTION AND COUNTERTERRORISM ACT OF 1999

Mr. GRAMS. Mr. President, I rise this morning to introduce a bill dealing with the security of our embassies around the world.

Mr. President, we all remember the horrible day of August 17, 1998, when U.S. embassies in Dar Es Salaam, Tanzania and Nairobi, Kenya were destroyed by car bombs. We all mourn the passing of the 220 people who lost their lives to these heinous terrorist acts. But it is not enough to mourn. We in Congress have a separate responsibility—to conduct proper oversight to expose weaknesses in our embassy security requirements and to ensure the resources given to this Administration are being allocated in ways to maximize their effectiveness.

In reviewing the conclusions of the State Department Accountability Review Boards chaired by Admiral William J. Crowe, I was disturbed to find that they are strikingly similar to those reached by the Inman Commission which issued an extensive embassy security report 14 years ago. Clearly, the United States has devoted inadequate resources and placed too low a priority on security concerns.

And I regret to say, the President's response to the Crowe Report simply is not adequate. The Administration has asked the Congress to provide for an advance appropriation of $3 billion with no strings attached. That funding does not start next year, it starts in 2001. And the bulk of the money is proposed in the out years. Those kind of budget games shouldn't be played when the lives of U.S. government workers are at stake. It's wrong to state that embassy construction is a priority, while refusing to make funds available for that purpose.

As Chairman of the International Operations Subcommittee, which has oversight responsibilities for embassy security issues, I have looked into the mistakes that we made in the past, and I am committed to making sure they do not happen in the future. Our embassies are not vulnerable because we lack security requirements. They are vulnerable because over three-quarters of our embassies have those requirements waived. Now, I understand that when the Inman security standards were put forward in the 1980's, a number of existing embassies did not meet the criteria. But I was surprised to find many of the embassies built and purchased since that time do not meet the Inman standards either. While I do not want to micromanage the State Department's construction program, given State's record in this area, certain external constraints are warranted.

Unfortunately, under the Administration's plan, we are doomed to repeat some of the same mistakes that were made following the Inman recommendations. The funding structure makes it impossible to achieve efficiencies in embassy construction. There is just not enough funding in the next three years to permit a single contract to design and build an embassy or a single contract to build multiple embassies in a region. Furthermore, the back loading of the funding means it could be a decade before secure embassies are up and running. Clearly, that is not acceptable.

Mr. President, I am introducing a 5-year authorization bill that makes sure the money set aside for embassy construction and security is not used for other purposes. It provides $600 million a year, starting in fiscal year 2000. And the Secretary of State is going to have to certify these funds are being used to bring these embassies into compliance with specific security standards, because 14 years from now, I don't want any finger pointing. I don't want the Congress to revisit this matter and find that funds were diverted and U.S. personnel put at risk.

The security requirements in my bill reflect some of the lessons that we learned from Nairobi and Dar Es Salaam. While these requirements may not have prevented lives being lost in the bombings, they could prevent the loss of life in the future. For example, under my bill, the Emergency Action Plan for each mission will address threats from large vehicular bombs and transnational terrorism. And the ''Composite Threat List'' will have a section which emphasizes transnational terrorism and considers criteria such as the physical security environment, host government support, and cultural realities.

Furthermore, in selecting sites for new U.S. diplomatic facilities abroad, there will be a set back requirement of 100 feet and all U.S. government agencies will have be located on the same compound. State Department guidelines currently state that ''[a]ll U.S. Government offices and activities, subject to the authority of the chief of mission, are required to be collocated in chancery office buildings or on a chancery/consulate compound.'' Unfortunately, these guidelines are often ignored. Indeed, after the August terrorist bombings, in violation of State Department guidelines, A.I.D. headquarters decided not to move its missions in Kenya and Tanzania into the more secure embassy compounds that are going to be built. A.I.D. only reversed itself after hearing from the Congress and U.S. officials in Kenya and Tanzania.

Working abroad will never be risk free. But we can take a number of measures, like these, to make sure that safety is increased for U.S. government workers overseas. We can also put forward requirements to ensure we have an effective emergency response network in place to respond to a crisis should one arise. My bill requires crisis management training for State Department personnel; support for the Foreign Emergency Support Team; rapid response procedure for assistance from the Department of Defense; and off-site storage of emergency equipment and records. These are prudent steps which should be taken to ensure we have an effective crisis management system in place if our embassies are attacked in the future.

My bill also calls for the Secretary of State to submit three reports to Congress. The first report would be a classified report rating our diplomatic facilities in terms of their vulnerablity to terrorist attack. The second report would be a classified review of the findings of the Overseas Presence Advisory Panel which would recommend whether any U.S. missions should be closed due to high vulnerability to terrorist attacks and ways to maintain a U.S. presence if warranted. The third report would be submitted in classified and unclassified form on the projected role and function of each U.S. diplomatic facility through 2010. It would explore the potential of technology to decrease the number of U.S. personnel abroad; the balance between the cost of providing secure buildings and the benefit of a U.S. presence; the potential of regional facilities; and the upgrades necessary.

Finally, my bill enables the President to award the Overseas Service Star to any member of the Foreign Service or any civilian employee of thegovernment of the United States who—after August 1, 1998—was killed or wounded while performing official duties, while on the premises of a U.S. mission abroad, or as a result of such employee's status as a U.S. government employee. These sacrifices for our nation by U.S. government workers abroad no longer should go unrecognized.

Mr. President, I believe with the approach outlined in my bill we can better ensure that we are providing a safe environment for U.S. government workers abroad. We can also be confident that should another terrorist attack occur, we will be ready for the aftermath. I understand that there is a trade-off between security and accessibility. But there are obvious steps that we should be taking to provide a higher level of security in this age of transnational terrorist threats. I hope this bill will not just provide a blueprint for the steps we must take now, but guidance on how we should proceed in the future. We must acknowledge the world is changing and doing business as usual is not going to work. We need to think outside the box and explore new ways to confront new challenges. I hope the State Department sees my bill as an opportunity rather than a burden. I am committed to making sure that embassy security is treated as a priority, and this bill is a good first step.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. GORTON, Mr. ROBB, Mr. ABRAHAM, Mr. ASHCROFT, Mrs. BOXER, Mr. BREAUX, Mr. COCHRAN, Mr. CONRAD, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mrs. FEINSTEIN, Mr. GRASSLEY, Mrs. HUTCHISON, Mr. INHOFE, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Ms. MIKULSKI, Mr. MURKOWSKI, Mrs. MURRAY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SMITH of Oregon, Mr. TORRICELLI, Mr. WARNER, Mr. WYDEN, and Mr. GRAMM):

S. 680. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes; to the Committee on Finance.

EXTENSION OF THE RESEARCH AND EXPERIMENTATION TAX CREDIT

• Mr. HATCH. Mr. President, I am pleased to join with my friend Senator BAUCUS and many more of my esteemed colleagues in the Senate in introducing legislation that would permanently extend the research and experimentation tax credit.

As we enter the 21st century, we need to ensure that the United States remains the world's undisputed leader in technological and scientific innovation. The global economy is becoming increasingly competitive. We must move to ensure that our economy does not fall behind.

The research and experimentation tax credit is crucial to stimulating economic growth. The President emphasized the value of this credit by asking that it be extended in his budget. Additionally, Congress has recognized the importance of this tax credit by extending it nine times since 1981.

Now is the time to end the uncertainty surrounding whether or not the credit will continue to be extended or be allowed to lapse. We must guarantee to American business, our scientists, our engineers, and our citizens who depend on technological innovations every day, that we will make this tax credit permanent.

Mr. President, permanence is essential to the effectiveness of this credit. Research and development projects typically take a number of years and may even last longer than a decade. As our business leaders plan these projects, they need to know whether or not they can count on this tax credit. The current uncertainty surrounding the credit has induced businesses to allocate significantly less to research than they otherwise would if they knew the tax credit would be available. This uncertainty undermines the entire purpose of the credit. For the government and the American people to maximize the return on their investment in U.S. based research and development, this credit must be made permanent.

Studies have shown that the R&E tax credit significantly increases research

and development expenditures. The marginal effect of one dollar of the R&E credit stimulates approximately one dollar of additional private research and development spending over the short-run and as much as two dollars of extra investment over the long-run.

In the business community, the development of new products, technologies, medicines, and ideas can result in either success or failure. Investments carry a risk. The R&E tax credit helps ease the cost of incurring these risks. Whereas foreign nations heavily subsidize research with public dollars, the United States has typically relied less on direct public funds and more on private sector incentives. The R&E tax credit has potential to be an even more effective incentive if it were made permanent.

I am aware that not every company that incurs research and development expenditures in the U.S. can take advantage of the R&E tax credit. As the credit matures and business cycles change, the current credit may be out of reach for some companies. To help solve this problem Congress enacted the Alternative Incremental Research Credit to help businesses that do not qualify for the R&E tax credit. To improve the effectiveness of this alternative credit, we have included a proposal to increase it by 1 percent.

Mr. President, I am aware that a permanent extension of this credit will be costly. However, when you consider the value that this investment will create for our economy, it is a bargain. Making this credit permanent will encourage more companies to locate their research activities within the United States. This will lead to more jobs and higher wages for U.S. workers. We must recognize that international competition is fierce. Many other countries offer significant enticements to prompt companies to move research activities within their borders. If we fail to ensure at least a level playing field, many companies will move their research activities abroad and we will lose many precious high-paying jobs.

Findings from a study conducted by Coopers & Lybrand show that workers in every state will benefit from higher wages if the R & E tax credit is made permanent. Payroll increases as a result of gains in productivity stemming from the credit have been estimated to exceed $60 billion over the next 12 years. Furthermore, greater productivity from additional R&E will increase overall economic growth in every state in the Union.

Mr. President, my home state of Utah is a good example of how state economies will benefit from the R&E tax credit. Utah is home to a large number of firms who invest a high percentage of their revenue on research and development. For example, between Salt Lake City and Provo lies the world's biggest stretch of software and computer engineering firms. This area, which was named ''Software Valley'' by Business Week, is second only to California's Silicon Valley as a thriving high tech commercial area.

In addition, Utah is home to about 700 biotechnology and biomedical firms that employ nearly 9,000 workers. These companies were conceived in research and development and will not survive, much less grow, without continuously conducting R&D activities.

In all, Mr. President there are approximately 80,000 employees working in Utah's 1,400 plus and growing technology based companies. Research and development is the lifeblood of these firms and hundreds of thousands like them throughout the nation.

If the credit is allowed to lapse, businesses will not be able to factor the credit into their long-term plans. This uncertainty causes businesses to under-invest in research. This may slow the development of the next computer chip, the next household convenience, the next generation of heart monitoring equipment, or a new drug that stops cancer. We must ensure stability so that our business leaders can count on the credit as they decide how much to invest in research and development.

Research and development is essential for long-term economic growth. Innovations in science and technology have fueled the massive economic expansion we have witnessed over the course of the 20th century. These advancements have improved the standard of living for nearly every American. Simply put, the R&E tax credit is an investment in economic growth, new jobs, and important new products and processes.

In conclusion Mr. President, if we decide not to make the R&E tax credit permanent, we are limiting the potential growth of our economy. How can we expect the American economy to hold the lead in the global economic race if we allow other countries to offer faster tracks than we do? Making the tax credit permanent will keep American business ahead of the pack. It will speed economic growth. Innovations resulting from American research and development will continue to improve the standard of living for every person in the U.S. and also worldwide.

Mr. President, simply put, the costs of not making the R&E tax credit permanent are far greater than the costs of making it permanent. As the next millennium closes in on us, we cannot afford to let the American economy slow down. Now is the time to send a strong message to to the world that America intends to retain its position as the world's foremost innovator.

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

The bill follows:

S. 680

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

SECTION 1. EXTENSION OF RESEARCH CREDIT.

(a) CREDIT MADE PERMANENT.—

(1) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

(b) INCREASE IN ALTERNATIVE INCREMENTAL CREDIT RATES.—Subparagraph (A) of section 41(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) in clause (i), by striking ''1.65 percent'' and inserting ''2.65 percent'',

(2) in clause (ii), by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(3) in clause (iii), by striking ''2.75 percent'' and inserting ''3.75 percent''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to amounts paid or incurred after June 30, 1999.●

● Mr. BAUCUS. Mr. President, it is with great pleasure that I join with my colleague from Utah, Senator HATCH, and my other colleagues to introduce this bill, which is so critical to the ability of American businesses to effectively compete in the global marketplace. I am particularly pleased that this bill includes as original co-sponsors one-third of the members of this body. This bill is bi-partisan and bi-cameral. Companion legislation, introduced in the House by Representatives NANCY JOHNSON and ROBERT MATSUI, is co-sponsored by over one-quarter of the Members of the House.

Our Nation is the world's undisputed leader in technological innovation, a position that would not be possible absent U.S. companies' commitment to research and development. Investment in research is an investment in our Nation's economic future, and it is appropriate that both the public and private sector share the costs involved, as we share in the benefits. The credit provided through the tax code for research expenses provides a modest but crucial incentive for companies to conduct their research in the United States, thus creating high-skilled, high-paying jobs for U.S. workers.

The R&D credit has played a key role in placing the United States ahead of its competition in developing and marketing new products. Every dollar that the federal government spends on the R&D credit is matched by another dollar of spending on research over the short run by private companies, and $2 of spending over the long run. Our global competitors are well aware of the importance of providing incentives for research, and many provide more generous tax treatment for research and experimentation expenses than does the United States. As a result, while spending on non-defense R&D in the United States as a percentage of GDP has remained relatively flat since 1985, Japan's and Germany's has grown.

The benefits of the credit, though certainly significant, have been limited over the years by the fact that the credit has been temporary. In addition to the numerous times that the credit has been allowed to lapse only to be extended retroactively, the 1996 extension left a 12-month gap during which the credit was not available. This unprecedented lapse sent a troubling signal to

the U.S. companies and universities that have come to rely on the government's longstanding commitment to the credit.

Much research and development takes years to mature. The more uncertain the long-term future of the credit is, the smaller its potential to stimulate increased research. If companies evaluating research projects cannot rely on the seamless continuation of the credit, they are less likely to invest in research in this country, less likely to put money into cutting-edge technological innovation that is critical to keeping us in the forefront of global competition.

Our country is locked in a fierce battle for high-paying technological jobs in the global economy. As more nations succeed in creating educationally advanced workforces and join the U.S. as high-technologically manufacturing centers, they become more attractive to companies trying to penetrate foreign markets. Multinational companies sometimes find that moving both manufacturing and basic research activities overseas is necessary if they are to remain competitive. The uncertainty of the R&D credit factors into their economic calculations, and makes keeping these jobs in the U.S. more difficult.

According to a study conducted by Coopers & Lybrand last year, making the R&D credit permanent will provide a substantial positive stimulus to investment, wage-growth, productivity, and overall economic activity for this country. Payroll increases from gains in productivity are estimated to total $64 billion over the period 1998 through 2010. In the year 2010 alone, the payroll increase is estimated to total nearly $12 billion.

Also according to the study, gross State Product, which is the basic measure of economic activity in a state, will rise overall by nearly $58 billion between 1998 and 2010 as a result of a permanent credit. Nearly three-fifths of this increase nationally is attributable to additional value added by industries that generally do not perform R&D themselves, but benefit from the R&D done by companies in other industries.

Gains in payroll and in Gross State Produce are not limited to states regarded as centers for technological innovation. Although such regions of the country certainly benefit from the credit, each and every state will profit in some measurable way from the credit since all sectors of the economy—agriculture, mining, basic manufacturing, and high-tech services—benefit from productivity improvements resulting from the additional research and development caused by the credit.

My own State of Montana is an excellent example of this economic activity. The total increase in payroll due to the R&D credit for the years 1998–2010 is estimated to be just over $250 million. The total increase in Gross State Product during this same period is expected to be $150 million. Neither of these increases place Montana in the top tier of States benefiting from the credit. However, looking beyond those numbers, the impact of the credit in Montana is substantial. In 1995, 12 of every 1,000 private sector workers were employed directly by high-tech firms in Montana. Almost 400 establishments provided high-technology services, at an average wage of $34,500 per year. These jobs paid 77 percent more than the average private sector wage in 1995 of $19,500 per year. Many of these jobs would never have been created without the assistance of the R&D credit. And many more jobs in Montana are dependent upon the growth and stability of the high-tech sector. Although the cumulative numbers may not be high in comparison with other States, the impact of the R&D credit on Montana's economy is clear.

Senator HATCH and I are not newcomers to this issue. We have jointly introduced bills to make the R&D credit permanent in numerous previous Congresses only to end up with extensions of one year or less. But I like to think that this year will be different. The hard work we have done to bring our budget into balance is finally beginning to pay off, and the projected budget surpluses gives us an opportunity to think carefully about how best to allocate our resources. We believe making the R&D credit permanent is a wise use of budget dollars because of the direct positive impact on economic growth and productivity. This is not just a corporate issue. This is a use of tax dollars that benefits all of us who are working to expand employment, increase wages and keep our Nation at the cutting edge of technological development. I sincerely hope we can make this year the year that the R&D credit becomes a permanent part of our tax code.

I urge my colleagues to support this legislation.●

● Mr. GORTON. Mr. President, technology is the driving force behind the U.S. economy, and investment in research and development is the driving force behind technology. Without research and development, the Internet would not exist. Without research and development, bone marrow transplants would not be saving lives. Without research and development, global satellite networks would not bring instantaneous news from around the world into our living rooms.

Quite simply, Mr. President, research and development encourages economic growth, creates jobs, and gives U.S. businesses an edge in today's competitive world marketplace.

That is why I am proud to be an original cosponsor of legislation introduced today by my colleagues Senator HATCH and Senator BAUCUS. This bill to make permanent the R&D tax credit will enable private businesses large and small to spend more of their resources on research and development. I have long been a strong supporter of the R&D tax credit and am delighted to join the effort to make it permanent.

As my colleagues know, the credit was first created in 1981 as a way to encourage the development of new and innovative commercial technologies and has been renewed nine times. Unfortunately, Congress has never made the tax credit permanent. Such a year to year uncertainty prohibits companies from making long-term R&D plans that take the tax credit into account. This lack of permanency leads inevitably to a lower rate of investment in research and development. That, Mr. President, slows U.S. innovation and economic growth, results in fewer jobs for Americans, and places U.S. firms at a competitive disadvantage to foreign companies.

Making the R&D tax credit permanent is one of the easiest and most effective measures we can take to boost the effectiveness and efficiency of the high tech industry.

The credit spurs economic growth. A recent study by Coopers & Lybrand found that every dollar of tax benefit generates as much as one dollar of additional private R and D spending in the short term and as much as two dollars of long-term R and D investment. The study concluded that over the 1998–2010 period, U.S. companies would spend 41 billion dollars more on research and development if the credit were made permanent. Further, innovations from that additional R and D investment would add more than 13 billion dollars a year to the economy's productive capacity by the year 2010.

The credit creates jobs. Because it is targeted primarily at salaries and wages of employees directly involved in research and experimentation, it is an incentive for companies to create and sustain high-skilled, high-paying jobs.

The credit helps U.S. companies compete. The R and D Tax Credit Coalition, a group of over 1000 American companies and 52 trade associations dedicated to making the tax credit permanent, argues that the credit is an essential tool for U.S. companies competing against foreign firms. Foreign companies often benefit from research and development subsidies from their governments. Such incentives lower the cost of R and D in foreign countries and give companies receiving the subsidies a competitive advantage over U.S. firms. According to the Coalition, U.S. corporate research and development spending lags far behind Germany and Japan as a percentage of sales. Making the tax credit permanent will go a long way to eliminate this disadvantage.

In my home state of Washington, hundreds of businesses, both large and small, use the R&D tax credit to develop new and innovative products and create jobs. In fact, Washington is making a name for itself as the home of a large and growing high technology industry. Last year, the American Electronics Association named Washington a ''cyber state'' and found that 45 out of every 1,000 private sector

workers in the state are employed by high-tech firms. According to AEA, Washington leads the nation in high-tech wages with an average high-tech salary in the state of over 66 thousand dollars a year.

Not surprisingly then, we in Washington view the R&D credit as a valued complement to our state's economic development policies. In fact, the Coopers and Lybrand study estimates that the credit will increase Washington's Gross State Product by $1.4 billion and the state's payroll by $1.6 billion over the next decade.

The Hatch-Baucus legislation to make the R&D tax credit permanent will benefit Washington and every other state in the nation. It is a smart and effective piece of legislation. It spurs economic growth, creates jobs, and helps U.S. companies compete more effectively.

I am proud to be a cosponsor, and I urge my colleagues to join me in supporting innovation in America.●

● Mrs. FEINSTEIN. Mr. President, I rise today in support of the Research and Experimentation Tax Credit, introduced by the Senators from Utah and Montana. This bill addresses what is in my opinion a long-standing oversight in the tax code, and will create a permanent extension for the Research and Experimentation Tax Credit.

Indeed, this legislation is necessary because, despite a remarkable record of spurring innovation and success—it is regarded by many in the business world as the single most effective tool government has to help business—the 18 year old research and experimentation tax credit inexplicably remains a temporary provision of the tax code.

Economists have linked the tax credit to steady economic growth and productivity. Industry leaders have credited it with spawning private enterprise investments. It is especially important to high tech and emerging growth industries that are driving our economy. And, because it creates jobs and spurs economic activity, the research and experimentation tax credit helps to increase the tax base, paying back the benefit of the credit.

Yet, despite its many benefits, for 18 years the research and experimentation tax credit has remained a temporary tax provision requiring regular renewal. The President's budget request for FY2000 has, once again, only requested a one year extension of the credit.

In fact, since 1981, when it was first enacted, the Research and Experimentation Tax Credit has been extended nine times. In four instances the research credit had expired before being renewed retroactively and, in one instance, it was renewed for a mere six months.

This is not a process which is conducive to encouraging business investment in the innovative industries—high technology, electronics, computers, software, and biotechnology, among others—which will provide future strength and growth for the U.S. economy.

Earlier in this decade California was faced with its severest economic downturn since the Great Depression. Today, the California economy is healthy and vibrant, and it is so in no small part because of the critical role played by innovative research and development efforts in nurturing new ''high tech'' industries.

Today the 150 largest Silicon Valley companies are valued at well-over $500 billion, $500 billion which did not exist two decades ago. Much of this growth is a result of ability of companies to undertake long-rage and sustained research in cutting-edge technologies.

To give just one example: Pericom Semiconductor, located in San Jose, California, has expanded from a start-up company in 1990 to a company with over $50 million in revenue and 175 employees by the end of last year. Pericom is ranked by Deloitte Touche as one of the fastest growing companies in Silicon Valley. And, according to a letter I received from the Vice President of Finance and administration at Pericom, utilization of the research credit has been key to their success, enabling them to add engineers, conduct research, and expand their technology base.

I will enter into the RECORD letters I have received from several California companies regarding the benefits of the research and experimentation tax credit.

The new jobs created at companies like Pericom, Genetech, Intel, Lam, and Xylinx, along with a host of others, through utilization of the research and experimentation tax credit also create additional tax revenue, paying back the benefit of the tax credit.

Research and experimentation is the lifeblood of high technology development, and if we want to replicate the success of companies like Pericom across the country it is crucial that we create a permanent research and experimentation tax credit.

According to a 1988 study conducted by the national accounting firm Coopers & Lybrand, a permanent credit will increase GDP by nearly $58 billion (in 1998 dollars) over the next decade. The productivity gains from a permanent extension will allow workers throughout the nation to earn higher wages.

Whether it is advances in health care, information technology, or environmental design, research and development are critical ingredients for fueling the process of economic growth.

Moreover, aggressive research and experimentation is essential for U.S. industries fighting to be competitive in the world marketplace.

Right now American biotechnology is the world leader in developing effective treatments and biotech is considered one of the critical technologies for the twenty-first century. With other countries heavily-subsidizing research and development, it is critical that U.S. companies also receive incentive to invest the necessary resources to stay on top of breakthrough developments.

Most biotech research and development efforts are long term projects spanning five to ten years, sometimes more. The uncertainty created by the temporary and sporadic extensions is incompatible with the basic needs of biotech innovation—providing companies with a stable time frame to plan, launch, and conduct research activities. In the case of a promising but financially intensive research project, such unpredictability can make the difference as to whether the project is completed or abandoned.

Anyone who has watched the growth of America's high tech sector in the past two decades—much of it in California—has seen first hand how research and development investment leads to new jobs, new businesses, and even entire new industries. And anyone who has benefitted from breakthrough products—from new treatments for genetic disorders to cleansing contaminated groundwater—has felt the effect of this tax credit.

Mr. President, I believe that the research and experimentation tax credit has proven its worth in creating new technologies and jobs, and in growing tax revenues for this country. It should not be imperilled by remaining a temporary credit, subject to termination because of the uncertainty of a given political moment. I urge my colleagues to support this bill and to create a permanent extension for the Research and Experimentation Tax Credit.

I ask that letter in support of the bill be printed in the RECORD.

The material follows:

PERICOM,
October 13, 1998.

Sen. DIANNE FEINSTEIN,
Washington, DC.

This is a letter to let you know how we are able to utilize the benefits of the Research and Development Tax Credit.

Pericom Semiconductor—located in San Jose, California—has expanded from a start-up in 1990 to $50M in revenue with 175 people as of September 1998. The savings that we obtain through the utilization of the research credit have enabled us to add engineers to help us expand our technology base. We were ranked as one of the fastest growing companies in Silicon Valley as a result of a Deloitte Touche survey.

The benefit to our country is that we export about 50% of our revenue to Asia Pacific and Europe. This helps with the balance of trade.

The engineers that we hire also pay their fair share of taxes so the benefit of the tax credit is paid back and I'm sure are more than revenue neutral. It enables them to buy goods and services which has the spiral effect of making our country that much stronger.

We respect your efforts on our behalf and view the extension as a must for us. There is no known reason not to pass it.

Sincerely,

PATRICK B. BRENNAN,
Vice President, Finance and Administration.

TEXAS INSTRUMENTS,
SILICON SYSTEMS, INC.,
Santa Cruz, CA, March 9, 1999.

Hon. DIANE FEINSTEIN,
Hart Senate Office Building,
U.S. Senate, Washington, DC

DEAR SENATOR FEINSTEIN: I write to you in my capacity as Santa Cruz Fab Director of Texas Instruments. Although we have operations throughout the United States, especially in Texas, we have significant operations in Santa Cruz, San Jose, Tustin and Santa Barbara, California. Thank you for your support for the Research and Development (R&D) tax credit and your efforts to make the credit permanent. We support the bill recently introduced by Reps. Johnson and Matsui. Making the R&D tax credit permanent is our top tax priority for 1999.

Texas Instruments is a global semiconductor company employing over 34,000 people worldwide. We are the world's leading designer and supplier of digital signal processing (DSP) and analog technologies, the engines driving the digitization of electronics. DSP is the enabler of products and processes yet to be imagined. It is a 3.9 billion dollar market today. It should hit 13 billion dollars within the next five years. If one adds mixed signal and analog products, the total market could be in excess of 60 billion dollars by the year 2002.

The R&D tax credit provides a significant incentive for companies to perform additional amounts of R&D activity. Given the inherent riskiness of this type of investment, the credit makes for sound tax policy. Because the R&D credit is primarily a wage credit, most of this additional investment is directly connected to the creation and maintenance of high-wage professional jobs.

Additionally, the creation of new products and broadening the scope of technical knowledge benefits Americans generally. We specialize in digital signal processing solutions, enabling the nation to be more efficient and more productive. Ultimately, the nation's employees will earn higher wages and pay more taxes because Texas Instruments and other California companies are investing in the future through research.

To best harness the incentive nature of the R&D tax credit, we believe that Congress should make the credit permanent. Texas Instruments and the entire high tech community would like to be able to rely upon the existence of the credit beyond the average six months to 1½ year extension that has characterized the treatment of the credit since 1986. This would allow us to devote even more resources to R&D activities, and quite possibly hire even more Californians.

There is another way to look at this: Congress and the Administration need to take steps to ensure that U.S. companies are equipped to compete in the international marketplace. In the semiconductor industry, we have always faced a continuing threat from foreign competitors such as those in Japan, Korea or Taiwan. The R&D tax credit is a step that helps U.S. companies as they compete in the global marketplace. It does this by encouraging R&D activities, which in turn result in greater employment opportunities.

As you know, high-technology firms have a critical role to play in the future of the nation, and we all need to work to keep businesses like ours here in the U.S. As the world quickly shifts to a service economy, high salary jobs that can sustain the American standard of living are becoming increasingly linked to high value-added, high-tech professions. Future economic growth and high employment require us to continue to nourish innovation while encouraging our employees to be as productive and creative as possible. Our nation has the potential to lead the world into a prosperous new century of growth, given appropriate federal policy—such as making permanent the R&D tax credit.

Again, thank you for all your previous efforts in support of the R&D tax credit. If there is any additional information that we can provide to you in support of this important provision, please feel free to contact me.

Sincerely,

JAMES D. JENSEN,
Santa Cruz Fab Director.●

● Mr. LIEBERMAN. Mr. President, I am pleased to join Senators HATCH and BAUCUS today in cosponsoring a bill to make the Research and Experimentation Tax Credit permanent. Technological innovation is the major factor driving economic and income growth in America today. A one percent increase in our nation's investment in research results in a productivity increase of 0.23 percent. Productivity increases are what allow us to increase wages and standards of living. The R&D undertaken by our companies today is too important to our economy and our wages to allow its encouragement through tax credits to be an unstable, haphazard effort varying from one year to the next.

Moreover, R&D has a significantly higher rate of return at the societal level than at the company level. There is a huge spillover effect from one person's or one company's innovation to other firms, other industries, and benefits to consumers. That is why government has a role in supporting R&D both directly through government funded research and through tax credits to private industry. All of society benefits from increased R&D. I strongly support making the R&D tax credit permanent so that our companies can engage confidently in long-term planning for sustained research investment.

I believe making the R&D tax credit permanent is a priority. I also feel we must strengthen the United States investment in R&D through other means as well. Senators FRIST, ROCKEFELLER, DOMENICI, GRAMM and I are sponsoring a bill, S. 296—with 29 cosponsors—to double federal investment in research over the next decade. Government labs and University labs undertake much of the basic research in this country. We need to nurture these incubators of basic research not only by increasing government support for them, but to encourage private sector support and financing of them. That is why Senators DOMENICI, BINGAMAN, FRIST and I support some reforms to the R&D tax credit that will encourage the private sector to partner with Government and University labs. We will shortly be introducing a bill to increase the benefits of the R&D credit to all companies, encourage research consortia, and give special attention to research investment by small businesses.

The reason we have been unable to make the R&D tax credit permanent is because it requires that the expenditures be scored for five years, thereby raising the budget costs. Extending the credit each year, sometimes at the last minute and sometimes retroactively, does not lower the cost to government, but increases the costs to industry by increasing its risk and uncertainty. Let's stop this charade and do what's right. Let's make it permanent.●

● Mr. ROCKEFELLER. Mr. President, I rise today with my colleagues Senator HATCH and Senator BAUCUS in introducing legislation to permanently extend the research and experimentation (R&E) tax credit. This credit provides a major incentive to the private sector to invest in long-range, high-risk research. It has played, and continues to play an important role in fostering private-sector investment in research, driving innovation in our technology-based industries.

Economic studies have shown that for each dollar of lost tax revenue, the tax credit stimulates an additional dollar of R&E in the short term and two additional dollars in the long term. These research investments promote technological innovation, enhance job growth, and increase productivity, helping to maintain our nation's quality of life and economic strength and well-being.

The R&E tax credit was enacted in 1981, and since then has been temporarily extended nine times, for periods as brief as six months, and has been allowed to lapse at least three times before being renewed retroactively. This is simply not an acceptable situation, especially if we mean to create a business climate which encourages the private sector to fund as much R&E as possible in the U.S., and not to move these activities off shore to countries that offer more substantial tax and financial incentives. This is a particularly critical concern for our high-growth, research-intensive industries, such as those in the computer, telecommunications, and biotechnology sectors. These companies depend on the R&E tax credit to undertake and continue long-term research projects. To ensure the success of such projects it is essential that our support for industry research is both continuous and predictable—our future competitiveness in the world marketplace depends upon it.

The federal government is reducing its commitment to research and development. We therefore need to encourage the private sector to expand its investment in this area. By making the R&E tax credit permanent, so that companies can count on its availability from year to year in planning their research investments, we create an environment conducive to promoting investment in R&E. We must not allow a system characterized by the uncertainty of frequent expirations and renewals to continue. I therefore urge my colleagues to join me in support of this legislation to make the R&E tax credit permanent.●

By Mr. DASCHLE (for himself, Mr. INOUYE, Mr. LAUTENBERG, Mr. CLELAND, Mr. JOHNSON, Ms.

MIKULSKI, Mr. SARBANES, Mrs. MURRAY, and Mr. HOLLINGS):

S. 681. A bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissections performed for the treatment of breast cancer, to the Committee on Health, Education, Labor, and Pensions.

BREAST CANCER PATIENT PROTECTION ACT

Mr. DASCHLE. Mr. President, today I am introducing the Breast Cancer Patient Protection Act of 1999, which requires health insurance plans to provide coverage for a minimum hospital stay for mastectomies and lymph node dissections performed to treat breast cancer.

This bill would prevent insurance companies and health maintenance organizations (HMOs) from forcing women to leave the hospital prematurely following a mastectomy or lymph node dissection or to have these treatments on an outpatient basis. Insurance company accountants should not make medical decisions without considering a doctor's judgments or a patient's needs. This legislation is part of my ongoing effort to protect patients and require that insurance companies deliver necessary, promised coverage. The Patients' Bill of Rights Act, S.6, also addresses these types of abuses, while providing a range of other important protections.

The Breast Cancer Patient Protection Act would guarantee women at least 48 hours of inpatient care following a mastectomy and at least 24 hours following lymph node dissection. These standards were designed in consultation with surgeons who specialize in this area and reflect the minimum amount of inpatient care necessary following these procedures. Patients, in consultation with their physicians, would be able to leave the hospital earlier if their situation warrants. The bottom line is still that insurers should allow coverage for the time necessary to ensure a proper recovery.

Over the last several years, the average length of hospitalization following a mastectomy has fallen from 4–6 to 2–3 days. Patients undergoing lymph node dissections in the past were hospitalized for 2–3 days. While some of the reductions in length of care may be the result of better medical practices, hospitalization is still critical for pain control, to manage fluid drainage, and to provide support and reassurance for women who have just undergone major surgery.

Nevertheless, some patients have been told that their health maintenance organization (HMO) will cover their major surgery only on an outpatient basis. These determinations have been made on the basis of studies by their own actuarial consulting firms. However, both American College of Surgeons and the American Medical Association have concluded that inpatient stays are recommended in many cases. Women suffering from breast cancer deserve to know that their insurance will cover care based on their medical needs rather than the coverage recommendations made by HMO actuaries.

My bill is a companion to H.R. 116, which was introduced in the House of Representatives by Congresswoman DeLauro. I would like to express appreciation to Congresswoman DeLauro, and to Senators FEINSTEIN, MIKULSKI and MURRAY, for their tireless efforts on behalf of breast cancer patients. All have been invaluable leaders who have inspired and challenged us to address the very real need for breast cancer treatment reform.

As we discuss the importance of ensuring quality care for breast cancer sufferers who have health insurance, it is also important to note that many women in the United States must fight this life-threatening disease without any health insurance at all. The Centers for Disease Control (CDC) funds breast and cervical cancer screening—in South Dakota, 1300 low-income women have been screened during the past 18 months—but there is no funding for actual treatment when that screening detects cancer. While the CDC effort is a critical part of the fight against cancer, it is ironic that those women who test positive for breast and cervical cancer may have no way to pay for the treatment they need.

With one in eight women expected to develop breast cancer, it is increasingly likely that all of our families will be affected by this devastating disease in some way. In South Dakota, 500 women will be diagnosed with, and 100 will die of, breast cancer in the next 12 months. Let us take this small step to ensure the experience is not complicated by insecurity and confusion over health insurance coverage. Let us put critical health care decisions back in the hands of breast cancer patients and their physicians.

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 printed in the RECORD, as follows:

S. 681

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 ''Breast Cancer Patient Protection Act of 1999''.

SEC. 2. COVERAGE OF MINIMUM HOSPITAL STAY FOR CERTAIN BREAST CANCER TREATMENT.

(a) GROUP HEALTH PLANS.—

(1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act is amended by adding at the end the following new section:

''SEC. 2707. STANDARDS RELATING TO BENEFITS FOR CERTAIN BREAST CANCER TREATMENT.

''(a) REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING MASTECTOMY OR LYMPH NODE DISSECTION.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, may not—

''(A) except as provided in paragraph (2)—

''(i) restrict benefits for any hospital length of stay in connection with a mastectomy for the treatment of breast cancer to less than 48 hours, or

''(ii) restrict benefits for any hospital length of stay in connection with a lymph node dissection for the treatment of breast cancer to less than 24 hours, or

''(B) require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under subparagraph (A) (without regard to paragraph (2)).

''(2) EXCEPTION.—Paragraph (1)(A) shall not apply in connection with any group health plan or health insurance issuer in any case in which the decision to discharge the woman involved prior to the expiration of the minimum length of stay otherwise required under paragraph (1)(A) is made by an attending provider in consultation with the woman.

''(b) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a woman eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to women to encourage such women to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) Nothing in this section shall be construed to require a woman who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer.

''(3) Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or

other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 713(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 2723(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a mastectomy performed for treatment of breast cancer and at least a 24-hour hospital length of stay following a lymph node dissection for treatment of breast cancer.

''(B) Such State law requires, in connection with such coverage for surgical treatment of breast cancer, that the hospital length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the woman involved.

''(2) CONSTRUCTION.—Section 2723(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENT.—Section 2723(c) of the Public Health Service Act (42 U.S.C. 300gg–23(c)) is amended by striking ''section 2704'' and inserting ''sections 2704 and 2707''.

(2) ERISA AMENDMENTS.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new section:

''SEC. 714. STANDARDS RELATING TO BENEFITS FOR CERTAIN BREAST CANCER TREATMENT.

''(a) REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING MASTECTOMY OR LYMPH NODE DISSECTION.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, may not—

''(A) except as provided in paragraph (2)—

''(i) restrict benefits for any hospital length of stay in connection with a mastectomy for the treatment of breast cancer to less than 48 hours, or

''(ii) restrict benefits for any hospital length of stay in connection with a lymph node dissection for the treatment of breast cancer to less than 24 hours, or

''(B) require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under subparagraph (A) (without regard to paragraph (2)).

''(2) EXCEPTION.—Paragraph (1)(A) shall not apply in connection with any group health plan or health insurance issuer in any case in which the decision to discharge the woman involved prior to the expiration of the minimum length of stay otherwise required under paragraph (1)(A) is made by an attending provider in consultation with the woman.

''(b) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a woman eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to women to encourage such women to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) Nothing in this section shall be construed to require a woman who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer.

''(3) Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 731(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a mastectomy performed for treatment of breast cancer and at least a 24-hour hospital length of stay following a lymph node dissection for treatment of breast cancer.

''(B) Such State law requires, in connection with such coverage for surgical treatment of breast cancer, that the hospital length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the woman involved.

''(2) CONSTRUCTION.—Section 731(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENT.—

(i) Section 731(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191(c)), as amended by section 603(b)(1) of Public Law 104–204, is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)), as amended by section 603(b)(2) of Public Law 104–204, is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(C) TABLE OF CONTENTS.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Standards relating to benefits for certain breast cancer treatment.''.

(b) INDIVIDUAL HEALTH INSURANCE.—

(1) IN GENERAL.—Part B of title XXVII of the Public Health Service Act is amended by inserting after section 2752 the following new section:

''SEC. 2753. STANDARDS RELATING TO BENEFITS FOR CERTAIN BREAST CANCER TREATMENT.

''(a) IN GENERAL.—The provisions of section 2707 (other than subsection (d)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.

''(b) NOTICE.—A health insurance issuer under this part shall comply with the notice requirement under section 714(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.

''(c) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 2723(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a mastectomy performed for treatment of breast cancer and at least a 24-hour hospital length of stay following a lymph node dissection for treatment of breast cancer.

''(B) Such State law requires, in connection with such coverage for surgical treatment of breast cancer, that the hospital

length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the woman involved.

''(2) CONSTRUCTION.—Section 2762(a) shall not be construed as superseding a State law described in paragraph (1).''.

(2) CONFORMING AMENDMENT.—Section 2762(b)(2) of the Public Health Service Act (42 U.S.C. 300gg–62(b)(2)), as added by section 605(b)(3)(B) of Public Law 104–204, is amended by striking ''section 2751'' and inserting ''sections 2751 and 2753''.

(c) EFFECTIVE DATES.—

(1) GROUP HEALTH INSURANCE.—The amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after January 1, 2000.

(2) INDIVIDUAL HEALTH INSURANCE.—The amendment made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after such date.

By Mr. HELMS (for himself and Ms. LANDRIEU):

S. 682. A bill to implement the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption, and for other purposes; to the Committee on Foreign Relations.

Mr. HELMS. Mr. President, I send to the desk legislation that the distinguished Senator from Louisiana, Ms. LANDRIEU and I are introducing today, its purpose being to implement the Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption—a treaty pending before the Foreign Relations Committee.

Senator LANDRIEU and I have worked together on issues of adoption since her arrival in the Senate in 1997. I am genuinely grateful for her leadership on this issue.

According to the most recent statistics, in 1998 almost 15,774 children were adopted by Americans from abroad. The majority of the children were brought to the United States from Russia, China, Korea, and Central and South American countries. In my state of North Carolina, 175 children were adopted in 1996 from outside the United States.

The Intercountry Adoption Implementation Act will provide for the first time a rational structure for intercountry adoption. The act is intended to bring some accountability to agencies that provide intercountry adoption services in the United States, and strengthen the hand of the Secretary of State in ensuring that U.S. adoption agencies engage in efforts to find homes for children in an ethical manner.

Mr. President, I strongly support adoption. It is in the best interest of every child—regardless of his or her age, race or special need—to be raised by a family who will provide a safe, permanent, and nurturing home. However, it is also a process that can leave parents and children vulnerable to fraud and abuse.

For this reason, the legislation that Senator LANDRIEU and I are introducing today includes a requirement that agencies be accredited to provide intercountry adoption. Mandatory standards for accreditation will include ensuring that a child's medical records be available in English to the prospective parents prior to their traveling to the foreign country to finalize an adoption. (We are also requiring that agencies be transparent, especially in their rate of disrupted adoption and their fee scales.)

This legislation also places the requirements of implementing the Hague Convention with the U.S. Secretary of State. Some have advocated a role for various government agencies, but I believe that spreading responsibility among various agencies will undermine the effective implementation of the Hague Convention.

During hearings last year in the Foreign Relations Committee regarding international parental kidnaping, the Committee heard testimony regarding the difficulties of coordination among agencies in implementing the Hague Convention on the Civil Aspects of Parental Abduction. This situation provides a valuable lesson. As a result, our legislation tasks the Secretary of State with establishing accreditation criteria for adoption agencies.

The Foreign Relations Committee soon will schedule hearings to consider both the treaty and this legislation. I hope that these hearings will emphasize both the many benefits of intercountry adoption, but also several of the abuses that have resulted during this decade.

Ms. LANDRIEU. Mr. President, I am very proud to join with my friend and colleague, the senior Senator from North Carolina, in introducing the implementing legislation for the Hague Convention on Intercountry Adoption. As many Members know, Senator HELMS cares deeply about the welfare of children and knows personally of the joy of building a family through adoption. I commend him for his strong commitment, his leadership, and the very thoughtful work that he has put into this important piece of legislation.

In my office, I have a large black and white poster of a smiling infant crawling only in a diaper. On the baby's bottom, on the diaper, is a huge bull's eye. The text says simply, ''Children always make the easiest targets.''

Unfortunately, Madam President, that seems to be true in our legislative and budgetary process. They don't move very quickly, they are not very strong, they don't have very loud voices and they can't protect themselves. We need to help them do that.

It would have been easy for the chairman of the Senate Foreign Relations Committee to come to this floor on one of the dozens of other important treaties that he has pending before his committee. It would have required no effort to leave this relatively obscure treaty languishing in limbo for months or even years. Instead, Senator HELMS made this treaty a priority. I am very proud to join him as a lead democratic sponsor of its implementing legislation, which will benefit millions of children throughout the world, and families around the globe.

I have had the opportunity to meet with many foreign dignitaries on the subject of intercountry adoption, from China to Russia, to Romania. Many countries have indicated that the United States ratification of the Hague Convention is the single most important thing we can do to strengthen the process of intercountry adoption. The United States adopts more children than any other country in the world. Unfortunately, this Nation and other large receiving nations have been sending the wrong message about our intentions regarding adoption.

A nation like Romania, for instance, which has had a tortured history in the field of child welfare indicated the importance of this treaty by being the first nation to ratify. For that, they should be commended.

Other sending countries have similarly stepped up to the plate, while receiving nations remain inactive. We must change that.

Today, in the Senate, we send a new message to the world. The United States is serious about the Hague convention. We are serious about improving and reforming the intercountry adoption system, and we will encourage other nations of the world to join us in that effort.

Habitat for Humanity's Millard Fuller, a man who has accomplished a great deal in the last few years, has a credo for his organization. He says everyone deserves a decent place to live. He is right. With that simple, but bold vision, Habitat for Humanity has been an incredible success story, building homes around the world for millions of families.

This is another simple but bold idea. Every child deserves a nurturing family. This treaty doesn't guarantee that, but it will give millions of children their best chance for a family to call their own. Furthermore, it will give millions of would-be parents a better chance at the joy of parenthood. We cannot let arbitrary borders and national pride get in the way of this simple but powerful idea, that every child should have parents who can love and care for them. No child should have to be raised alone.

The Hague Convention, by normalizing the process of intercountry adoption, brings this bold idea a step closer to reality.

I will briefly touch upon several important pieces of this legislation. First, let me say that this treaty is not a Federal endeavor to take control of the adoption process. This system is working for the most, and in many parts of the country it works very well. The philosophy throughout has been to address the real need for reform of intercountry adoptions and leave the other debate to another day.

This bill, however, does make several changes which will revolutionize the status quo. First, the State Department will finally be given legislative authority to track, monitor and report on intercountry adoptions. We will have hard figures on disruptions, adoption fees, and most importantly, the number of American children who are adopted by people abroad.

Second, accredited agencies will need to provide some minimum services to continue operating in the intercountry field. Among these services are translated medical reports, 6 weeks of preadoption counseling, liability insurance and open examination of practices and records. By allowing public scrutiny in this area, we believe the Hague implementing legislation provides some basic consumer protection and will help eliminate the few bad actors who occasionally grab headlines in the arena of international adoption.

Another significant feature of this treaty is the adoption certificate which will be provided by the Secretary of State. With the certificate, INS procedures and State court finalizations will become routine and quick rather than involved and costly. This will be a welcome relief for many families across this country waiting for children to come home.

Americans provide loving families for nearly 15,000 children from around the world. If we pass this convention, those numbers are most certainly likely to increase, which will be an opportunity for families here in the United States, as well as many children who desperately need homes.

Every day, my colleagues speak eloquently from this floor about ways to help our children and families grow and become stronger, but rarely do we have an opportunity to do something which can have a significant impact on actually creating loving homes for children who have no one. This is such an occasion. We should not miss this historic opportunity.

I look forward to working with our chairman from North Carolina as this bill and treaty progress through the Senate in the months ahead. It is with high hopes that we proceed, hoping that we can pass a strong, bipartisan piece of legislation before the end of the year.

Madame President, the need to help children find loving homes, is as old as human history. You can look all the way back to Muhammad who stated that ''the best house is the house in which an orphan receives care.'' I hope we can create many such houses with this bill. I would like to conclude with a quote I read in preparation for this speech that I found quite moving. It says that ''orphans, other than their innocence, have no sin, and other than their tears, they have no way of communication. They cannot explain the wars, the struggles, the political disputes, or the geographical disputes which have all made them homeless, helpless, fearful, and alone. Human history has never seen such a large number of orphan children in this world. Mankind has never seen such a large number of people in comfort. If you follow any religion, it is your religious duty to take care of orphans. If you do not follow any religion, it is your observation toward humanity that should convince you to support them.''

I ask unanimous consent that documents involving those nations that have signed the treaty be printed in the RECORD as well as those that have ratified the treaty.

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

The Following States Have Ratified The Hague Convention of 29 May 1993 On Protection of Children and Co-Operation In Respect of Intercountry:

Entry Into Force

Mexico, September 14, 1994, May 1, 1995
Romania, December 28, 1994, May 1, 1995
Sri Lanka, January 23, 1995, May 1, 1995
Cyprus, February 20, 1995, June 1, 1995
Poland, June 12, 1995, October 1, 1995
Spain, July 11, 1995, November 1, 1995
Ecuador, September 7, 1995, January 1, 1996
Peru, September 14, 1995, January 1, 1996
Costa Rica, October 30, 1995, February 1, 1996
Burkina Faso, January 11, 1996, May 1, 1996
Philippines, July 2, 1996, November 1, 1996
Canada, December 19, 1996, April 1, 1997
Venezuela, January 10, 1997, May 1, 1997
Finland, March 27, 1997, July 1, 1997
Sweden, May 28, 1997, September 1, 1997
Denmark, July 2, 1997, November 1, 1997
Total number of ratifications: 16,

The Following States Have Signed The Hague Convention Of 29 May 1993 On Protection of Children and Co-Operation In Respect of Intercountry Adoption:

Costa Rica, 29 May 1993
Mexico, 29 May 1993
Romania, 29 May 1993
Brazil, 29 May 1993
Colombia, 1 September 1993
Uruguay, 1 September 1993
Israel, 2 November 1993
Netherlands, 5 December 1993
United Kingdom, 12 January 1994
United States, 31 March 1994
Canada, 12 April 1994
Finland, 19 April 1994
Burkina Faso, 19 April 1994
Equador, 3 May 1994
Sri Lanka, 24 May 1994
Peru, 16 November 1994
Cyprus, 17 November 1994
Switzerland, 16 January 1995
Spain, 27 March 1995
France, 5 April 1995
Luxembourg, 6 June 1995
Poland, 12 June 1995
Philippines, 17 July 1995
Italy, 11 December 1995
Norway, 20 May 1996
Ireland, 19 June 1996
Sweden, 10 October 1996
El Salvador, 21 November 1996
Venezuela, 10 January 1997
Denmark, 2 July 1997

Ms. LANDRIEU. It is my hope that we can work under the great leadership of Senator HELMS on this issue to pass this implementing legislation and the treaty to provide hope to millions of children in families that would welcome it.

By Ms. COLLINS:

S. 684. A bill to amend title 11, United States Code, to provide for family fishermen, and to make chapter 12 of title 11, United States Code, permanent; to the Committee on the Judiciary.

THE FISHERMEN'S BANKRUPTCY PROTECTION ACT

• Ms. COLLINS. Mr. President, today I am introducing a bill to make reorganization under Chapter 12 of the Bankruptcy Code applicable to family fishermen. In brief, the bill would allow family fishermen the opportunity to apply for the protections of reorganization in bankruptcy and provide to them the same protections and terms as those granted the family farmer who enters bankruptcy.

Like many Americans, I'm appalled by those who live beyond their means, and use the bankruptcy code as a tool to cure their self-induced financial ills. I have supported and will continue to support alterations to the bankruptcy code that ensure the responsible use of its provisions. All consumers bear the burden of irresponsible debtors who abuse the system. Therefore, I believe bankruptcy should remain a tool of last resort for those in severe financial distress.

As those familiar with the bankruptcy code know, business reorganization in bankruptcy is a different creature than the forgiveness of debt traditionally associated with bankruptcy. Reorganization embodies the hope that by providing business a break from creditors, and allowing debt to be adjusted, the business will have an opportunity to get back on sound financial footing and thrive. In that vein, Chapter 12 was added to the bankruptcy code in 1986 by the Senator from Iowa, Mr. GRASSLEY, to provide for bankruptcy reorganization of the family farm and to give family farmers a ''fighting chance to reorganize their debts and keep their land''.

To provide the ''fighting chance'' envisioned by the authors of Chapter 12, Congress provided a distinctive set of substantive and procedural rules to govern effective reorganization of the family farm. In essence, Chapter 12 was a recognition of the unique situation of family owned businesses and the enormous value of the family farmer to the American economy and our cultural heritage.

Chapter 12 was modeled on bankruptcy Chapter 13 which governs the reorganization of individual debt. However, to address the unique problems encountered by farmers, Chapter 12 provided for significant advantages over the standard Chapter 13 filer. These advantages include a longer period of time to file a plan for relief, greater flexibility for the debtor to modify the debts secured by their assets, and alteration of the statutory time limit to repay secured debts. The Chapter 12 debtor is also given the freedom to sell off parts of his or her property as part of a reorganization plan.

Unlike Chapter 13, which applies solely to individuals, Chapter 12 can

apply to individuals, partnerships or corporations which fall under a $1.5 million debt threshold—a recognition of the common use of incorporation even among small family held farms.

Without getting too technical, I should also mention that Chapter 12 also contains significant advantages over corporate reorganization which is governed by Chapter 11 of the Bankruptcy Code. For example, Chapter 12 creditors generally may not challenge a payment plan that is approved by the Court.

Chapter 12 has been considered an enormous success in the farm community. According to a recent University of Iowa study, 74 percent of family farmers who filed Chapter 12 bankruptcy are still farming, and 61 percent of farmers who went through Chapter 12 believe that Chapter 12 was helpful in getting them back on their feet.

Recognizing its effectiveness, my bill proposes that Chapter 12 should be made a permanent part of the bankruptcy code, and equally important, my bill would extend Chapter 12's protections to family fishermen.

In my own state of Maine, fishing is a vital part of our economy and our way of life. The commercial fishing industry is made up of proud and fiercely independent individuals whose goal is simply to preserve their business, family income and community.

In my opinion, for too long the fishing industry has been treated like an oddity, rather than a business through which courses the life's blood of families and communities. This bill attempts to bridge that gap and afford fishermen the protection of business reorganization as it is provided to family farmers.

There are many similarities between the family farmer and the family fisherman. Like the family farmer, the fisherman should not only be respected as a businessman, but for his or her independence in the best tradition of our democracy. Like farmers, fishermen face perennial threats from nature and the elements, as well as changes to laws which threaten their existence. Like family farmers, fishermen are not seeking special treatment or a handout from the federal government, they seek only ''the fighting chance'' to remain afloat so that they can continue in their way of life.

Although fishermen do not seek special treatment from the government, they play a special role in seafaring communities on our coasts, and they deserve protections granted others who face similar, often unavoidable, problems. Fishermen should not be denied the bankruptcy protections accorded to farmers solely because they harvest the sea and not the land.

I have proposed not only to make Chapter 12 a permanent part of the bankruptcy code, but also to apply its provisions to the family fisherman. The bill I have proposed mirrors Chapter 12 with very few exceptions. Its protections are restricted to those fishermen with regular income who have total debt less than $1.5 Million, the bulk of which, eighty percent, must stem from commercial fishing. Moreover, families must rely on fishing income for these provisions to apply.

Those same protections and flexibility we grant to farmers should also be granted to the family fisherman. By making this modest but important change to the bankruptcy code, we will express our respect for the business of fishing, and our shared wish that this unique way of life should continue.●

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

S. 685. A bill to preserve the authority of States over water within their boundaries, to delegate to States the authority of Congress to regulate water, and for other purposes; to the Committee on the Judiciary.

THE STATE WATER SOVEREIGNTY PROTECTION ACT

● Mr. CRAPO. Mr. President, I rise to introduce the State Water Sovereignty Protection Act, a bill to preserve the authority of the States over waters within their boundaries, to delegate the authority of the Congress to the States to regulate water, and for other purposes.

Since 1866, Congress has recognized and deferred to the States the authority to allocate and administer water within their borders. The Supreme Court has confirmed that this is an appropriate role for the States. Additionally, in 1952, the Congress passed the McCarran amendment which provides for the adjudication of State and Federal Water claims in State water courts.

However, despite both judicial and legislative edicts, I am deeply concerned that the administration, Federal agencies, and some in the Congress are setting the stage for ignoring long established statutory provisions concerning State water rights and State water contracts. The Endangered Species Act, the Clean Water Act, the Federal Land Policy Management Act, and wilderness designations have all been vehicles used to erode State sovereignty over its water.

It is imperative that States maintain sovereignty over management and control of their water and river systems. All rights to water or reservations of rights for any purposes in States should be subject to the substantive and procedural laws of that State, not the Federal Government. To protect State water rights, I am introducing the State Water Sovereignty Protection Act.

The State Water Sovereignty Protection Act provides that whenever the United States seeks to appropriate water or acquire a water right, it will be subject to State procedural and substantive water law. The Act further holds that States control the water within their boundaries and that the Federal Government may exercise management or control over water only in compliance with State law. Finally, in any administrative or judicial proceeding in which the United States participates pursuant to the McCarran Amendment, the United States is subject to all costs and fees to the same extent as costs and fees may be imposed on a private party.●

By Mrs. BOXER (for herself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. REED, Mr. SCHUMER, and Mr. TORRICELLI):

S. 686. A bill to regulate interstate commerce by providing a Federal cause of action against firearms manufactures, dealers, and importers for the harm resulting from gun violence; to the Committee on the Judiciary.

THE FIREARMS RIGHTS, RESPONSIBILITIES, AND REMEDIES ACT

Mrs. BOXER. Mr. President, I rise today to introduce legislation to protect the rights and interests of local communities in suing the gun industry. I am joined in this effort by Senators CHAFEE, LAUTENBERG, REED, SCHUMER, and TORRICELLI.

Frankly, I would prefer not to have to introduce legislation at all. But, it has become necessary because the gun industry has begun a concerted campaign to gag America's cities. In order to preserve local control and options, federal legislation is needed. The federal government must stand alongside our local communities to fight the gun violence plaguing too many of America's cities.

So far, five cities—New Orleans, Atlanta, Chicago, Miami-Dade County, and Bridgeport, Connecticut—have filed lawsuits against the gun industry. Many more are considering such lawsuits, including, in my State of California, San Francisco, Los Angeles, and Sacramento. These cities are suing because they are being invaded by guns.

Consider the city of Chicago. Chicago has one of the toughest handgun control ordinances in the country. And yet, this year, the Chicago police will confiscate some 17,000 illegal weapons. City officials acknowledge that's only a fraction of the guns on the streets. And there are now 242 million guns in America. That's almost one for every man, woman, and child in this country.

The result is that each year, guns cause the death of about 35,000 Americans. The number of handgun murders in this country far outpaces that of any other country—indeed, most other countries combined. Japan and Great Britain have fewer than one murder by a handgun per one million population. Canada has about three and a half per million people. But in the United States, there are over 35 handgun murders per year for every million people.

In my state of California alone, there are five times as many handgun murders as there are in New Zealand, Australia, Japan, Great Britain, Canada, and Germany combined. Yet those six countries together have ten times the population of California.

Over 11 years, nearly 400,000 Americans have been killed by gunfire. Compare that with the 11 years of the Vietnam War, where over 58,000 Americans died.

If this continues, the Centers for Disease Control estimates that in just four years, gun deaths will be the leading cause of injury-related death in America.

And for every American who dies, another three are injured and end up in an emergency room. The cost to our health care system is estimated to be between $1.5 billion and $4.5 billion per year. And 4 out of every 5 gunshot victims either have no health insurance or are on public assistance. U.S. News reported that one hospital in California—the University of California-Davis Medical Center—lost $2.2 million over three years on gunshot victims. That means you and I and all taxpayers are paying the bills.

That is why many cities want to sue. But, the NRA does not want to fight this in court. The gun industry wants to circumvent the legal process through special interest legislation—legislation imposed on our cities by big government.

To preserve local control and individual rights, federal legislation is needed. Today, I am introducing such legislation, known as the Firearms Rights, Responsibilities, and Remedies Act. This bill would ensure that individuals and entities harmed by gun violence—including our cities—have the right to sue gun manufacturers, dealers, and importers.

Specifically, my bill would create a federal cause of action—the right to sue—for harms resulting from gun violence. A gun manufacturer, dealer, or importer could be held liable if it ''knew or reasonably should have known'' that its design, manufacturing, marketing, importation, sales, or distribution practices would likely result in gun violence. But, this is not an open-ended proposition. The term ''gun violence'' is defined specifically as the unlawful use of a firearm or the unintentional discharge of a firearm. It would not be possible to sue for every gun sold—or even for all violence and deaths that result. A suit would only be possible if there is some negligence on the part of a manufacturer, dealer, or importer. I believe this language is broad enough to allow cities to pursue their claims, but not so broad as to open the floodgates for every gun-related death and injury.

Suits could be brought in federal or state court by States, units of local government—such as cities, towns, and counties—individuals, organizations, and businesses who were injured by or incurred costs because of gun violence. A prevailing plaintiff could recover actual damages, punitive damages, and attorneys fees.

I am not saying that the gun industry should be required to pay any particular amount of damages, and I am not advocating any particular theory that would hold the gun industry liable. What I am saying is that the gun industry should not be exempt from the normal course of business in America. The right to redress grievances in court is older than America itself—older than the Second Amendment to the Constitution. But the NRA is now pushing legislation in many states and here in Congress to say that the gun industry should get special rights and special protections. I believe that the gun industry should be treated like everyone else, and I believe that our cities should have their day in court.

My bill does not impose anything. It does not require anything. It is designed for one purpose: to preserve local control. As Jim Hahn, the City Attorney of Los Angeles, noted in a letter to me endorsing my bill, what many States are considering would ''represent a significant intrusion in to the authority of local governments.'' And my bill would, in the words of Alex Penelas, the Mayor of Miami-Dade County, ''preserve access to the courts for local governments and individual citizens.''

Now, Mr. President, there have been questions raised about the constitutionality of this measure. It was not easy drafting a constitutional measure, but in working with Kathleen Sullivan, the Dean of Stanford Law School, and Larry Tribe of Harvard, I believe we have a bill that is constitutional.

Finally, Mr. President, let me just note a bit of irony in this whole debate. Some of the legislation that the NRA has worked so hard to defeat over the years—such as mandatory safety locks, smart technology, and product safety legislation—is the basis of some of these suits by the cities. If the NRA had let us pass such laws, they wouldn't be facing so many lawsuits today. The NRA and the gun industry do not want to be regulated and then they do not want to be held accountable. The NRA and the gun industry want to escape their responsibilities for what they are doing to America's cities—and all too often, to America's children.

I sometimes wonder if N-R-A stands for ''No Responsibility or Accountability.''

It has been said that some Americans have a love affair with guns. But we should not stand idly by when that love affair turns violent. Today we stand with America's cities to say enough is enough.

I ask unanimous consent that the bill and the letters from Mr. Hahn—as well as other letters of support from the City Attorney of San Francisco, the Mayor of Bridgeport, Connecticut, a letter from Ms. Sullivan and Handgun Control—be inserted in the RECORD.

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

S. 686

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 ''Firearms Rights, Responsibilities, and Remedies Act of 1999''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the manufacture, distribution, and importation of firearms is inherently commercial in nature;

(2) firearms regularly move in interstate commerce;

(3) firearms trafficking is so prevalent and widespread in and among the States that it is usually impossible to distinguish between intrastate trafficking and interstate trafficking;

(4) to the extent firearms trafficking is intrastate in nature, it arises out of and is substantially connected with a commercial transaction, which, when viewed in the aggregate, substantially affects interstate commerce;

(5) gun violence results in great costs to society, including the costs of law enforcement, medical care, lost productivity, and loss of life;

(6) to the extent possible, the costs of gun violence should be borne by those liable for them, including manufacturers, dealers, and importers;

(7) in any action to recover the costs associated with gun violence to a particular entity or to a given community, it is usually impossible to trace the portion of costs attributable to intrastate versus interstate commerce;

(8) the law governing the liability of manufacturers, dealers, and importers for gun violence is evolving inconsistently within and among the States, resulting in a contradictory and uncertain regime that is inequitable and that unduly burdens interstate commerce;

(9) the inability to obtain adequate compensation for the costs of gun violence results in a serious commercial distortion to a single national market and a stable national economy, thereby creating a barrier to interstate commerce;

(10) it is an essential and appropriate role of the Federal Government, under the Constitution of the United States, to remove burdens and barriers to interstate commerce;

(11) because the intrastate and interstate trafficking of firearms are so commingled, full regulation of interstate commerce requires the incidental regulation of intrastate commerce; and

(12) it is in the national interest and within the role of the Federal Government to ensure that manufacturers, dealers, and importers can be held liable under Federal law for gun violence.

(b) PURPOSE.—Based on the power of Congress in clause 3 of section 8 of article I of the Constitution of the United States, the purpose of this Act is to regulate interstate commerce by—

(1) regulating the commercial activity of firearms trafficking;

(2) protecting States, units of local government, organizations, businesses, and other persons from the adverse effects of interstate commerce in firearms;

(3) establishing a uniform legal principle that manufacturers, dealers, and importers can be held liable for gun violence; and

(4) creating greater fairness, rationality, and predictability in the civil justice system.

SEC. 3. DEFINITIONS.

In this Act:

(1) GUN VIOLENCE.—The term ''gun violence'' means any—

(A) actual or threatened unlawful use of a firearm; and

(B) unintentional discharge of a firearm.

(2) INCORPORATED DEFINITIONS.—The terms ''firearm'', ''importer'', ''manufacturer'', and ''dealer'' have the meanings given those terms in section 921 of title 18, United States Code.

(3) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) UNIT OF LOCAL GOVERNMENT.—The term ''unit of local government'' means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

SEC. 4. FEDERAL CAUSE OF ACTION.

(a) IN GENERAL.—Notwithstanding any other provision of Federal, State, or local law, a State, unit of local government, organization, business, or other person that has been injured by or incurred costs as a result of gun violence may bring a civil action in a Federal or State court of original jurisdiction against a manufacturer, dealer, or importer who knew or reasonably should have known that its design, manufacturing, marketing, importation, sales, or distribution practices would likely result in gun violence.

(b) REMEDIES.—In an action under subsection (a), the court may award appropriate relief, including—

(1) actual damages;

(2) punitive damages;

(3) reasonable attorneys' fees and other litigation costs reasonably incurred, including the costs of expert witnesses; and

(4) such other relief as the court determines to be appropriate.

CITY OF LOS ANGELES,
March 22, 1999.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR BARBARA: I write to express my strong support for the Firearms Rights, Responsibilities, and Remedies Act which will assure the ability of local governments to sue the gun industry by creating a federal cause of action for claims brought against the gun industry. In so doing, the act is critical to the goal of making the gun industry accountable for the toll of gun violence on cities nationwide.

The City of Los Angeles is exploring litigation against the gun industry in order to recoup the City's costs in addressing gun violence. Therefore, any attempt on the state level to preclude local gun lawsuits would subvert cities and counties' efforts in this regard and would also represent a significant intrusion in to the authority of local governments. The creation of a federal cause of action is invaluable to guaranteeing that litigation remains available to cities and counties.

The Firearms Rights, Responsibilities, and Remedies Act represents a common-sense and reasonable approach to any attempt to bar gun lawsuits by cities and counties. I am pleased to offer my support for this important legislation.

Very truly yours,

JAMES K. HAHN,
City Attorney.

OFFICE OF THE MAYOR,
Miami-Dade County, FL, March 23, 1999.

Hon. BARBARA BOXER,
U.S. Senator, Washington, DC.

DEAR SENATOR BOXER: Thank you for your invitation to join you today in Washington, DC, as you announce legislation which will assist local governments, like Miami-Dade County, on our legal efforts to compel the gun industry to manufacture childproof guns. I regret that I am unable to join you personally to offer my support and gratitude for your efforts. Unfortunately, County business requires me to be in our State Capitol today.

On January 21, 1999, Miami-Dade County filed a lawsuit against the gun industry seeking to compel gun manufacturers to make safer, childproof guns. To achieve our objective we are hitting the gun industry where it hurts—in their wallets. Every year, gun violence and accidental deaths costs our community hundreds of millions of dollars. Until now, taxpayers have borne the responsibility for many of these costs while the gun industry has washed its hands of the blood of countless victims, including many children and youths. However, our efforts are not about money. In fact, if the gun industry agrees to make childproof guns, install load indicators on guns and change its marketing practices my community will crop its lawsuit.

As you know, legislation has been filed in the Florida Legislature that would not only preempt Miami-Dade County's lawsuit, but would also make it a felony for any public official to pursue such litigation. This NRA sponsored legislation is undemocratic and hypocritical. If passed, preemption legislation will effectively slam shut the doors of justice and trample on the People's right to access the judiciary in the name of defending the Second Amendment. Additionally, while some Tallahassee and Washington legislators claim to favor returning power to local governments, they are the first to support legislation which takes away our right to access an independent branch of government.

Clearly, the gun lobby is out of touch with the will of the people. Flordia voters, like Americans nationwide, have repeatedly sent a strong message that they favor commonsense gun safety measures. For example:

In 1991, Florida voters overwhelmingly supported requiring criminal background checks and waiting periods on gun sales;

Last November, 72% of Floridians voted to close the Gunshow Loophole, by extending criminal background check and waiting period requirements to gunshows and flea markets;

Just last month a New York jury found the gun industry civilly liable for saturating the market with guns.

Unfortunately, our prospects for success in defeating this misguided state legislation are dim. However, I am confident that the pressure on the gun industry to reform increase with each passing day. Your legislation will add additional pressure by sending a message to the gun lobby that they cannot block access to the courts by strong-arming state legislatures.

If successful, your legislation will preserve access to the courts for local governments and individual citizens who are demanding that the gun industry be held accountable for callously favoring corporate profits over our children's safety. I commend you for putting the public's interest ahead of the powerful special interests that seek only to protect a negligent industry that has ignored commonsense pleas to make childproof guns. Be assured I stand ready to assist you in advancing this significant legislation.

Sincerely,

ALEX PENELAS,
Mayor.

OFFICE OF THE CITY ATTORNEY,
San Francisco, CA, March 22, 1999.

Re: Proposed legislation

Senator BARBARA BOXER,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOXER: I write to endorse your proposed legislation that will allow local governments to sue gun manufacturers, dealers, and importers. Each year in San Francisco we admit numerous gunshot victims to our hospitals with staggering costs to the general public. Sadly enough, all too often these victims are children and young people. The gun industry must be held responsible for its role in the emotional and financial distress caused to anyone affected by gun violence—including local government.

Your legislation would ensure that the normal legal processes can be brought to bear upon a significant public problem and that the gun industry would not be exempt from the usual course of business in America. For these reasons, I support your proposed legislation and commend you for your ongoing efforts to stand with America's cities and its people.

Sincerely,

LOUISE H. RENNE,
City Attorney.

BRIDGEPORT CITY HALL,
MAYOR JOSEPH P. GANIM,
Bridgeport, CT, March 23, 1999.

GANIM SUPPORTS BOXER GUN BILL

The following is Bridgeport Mayor Joseph P. Ganim's statement of support for Sen. Barbara Boxer's proposed federal legislation:

I am in full support of the legislation drafted by Sen. Boxer to allow people, groups or governments to exercise their constitutional rights to seek redress through the courts, I regret that I am not able to be in Washington as the Senator makes this important announcement.

Bridgeport is one of five cities across the nation to file a lawsuit against handgun manufacturers. We are seeking damages to help lessen the financial burden Bridgeport must carry due to the effects of gun violence in our City.

A handgun is the most dangerous weapon placed into the stream of commerce in the United States. Surprisingly, there are more safety requirements and regulations regarding the manufacture of toy guns than for real handguns.

Sen. Boxer's bill will allow cities, states and individuals to seek retribution for the economic strain that handgun violence has caused. We are facing high medical and public safety costs, but we are also battling drops in property value in areas where handgun violence is most prevalent.

Because of measures taken by the Georgia State Legislature and attempts by Rep. Bob Barr of Georgia in the U.S. Congress, Sen. Boxer's bill becomes even more critical and its passage even more important. This bill ensures that everyone will have the right to fight back and hold the gun manufacturers accountable for the damage their products have caused.

STANFORD LAW SCHOOL,
Stanford, CA, March 23, 1999.

Senator BARBARA BOXER,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOXER: You have asked me to review a draft of a bill to enact the Firearms Rights, Responsibilities, and Remedies Act of 1999, and to comment briefly upon its constitutionality. I am happy to do so, with the caveat that I am not in a position to comment upon the bill as a matter of tort or product liability policy.

The bill appears to me to be within the authority of Congress to enact under the interstate commerce power set forth in the United States constitution, Article I, section 8. While the commerce power is not an unlimited one, Congress is empowered to regulate both the flow of interstate commerce

and any intrastate activity that substantially affects interstate commerce. *United States* v. *Lopez*, 514 U.S. 549 (1995). While one might fairly question whether any incident of gun violence in and of itself constitutes an activity substantially affecting interstate commerce, the bill does not regulate gun violence but rather provides a federal cause of action against the negligent ''design, manufacturing, marketing, importation, sales, or distribution'' of guns. Sec. 4(a). The ''design, manufacturing, marketing, importation, sales, or distribution'' of guns plainly amounts to economic activity that in the aggregate may in Congress's reasonable judgment substantially affect interstate commerce. Moreover, providing a uniform federal avenue of redress for gun violence may in Congress's reasonable judgment help to avert the diversion and distortion of interstate commerce that, in the aggregate, accompanies any patchwork of separate state regulations of firearm sales. Congress is entitled to consider the interstate efforts of commercial gun distribution in the aggregate without regard to whether any particular gun sale that might be the subject of a civil action is interstate or intrastate in nature. *See, e.g.*, *Wickard* v. *Filburn*, 317 U.S. 111 (1942) (regulation of home-grown wheat consumption); *Perez*, v. *United States*, 402 U.S. 146 (1971) (regulation of extortionate intrastate loan transactions).

Nor does the bill appear to intrude upon state sovereignty or the structural principles of federalism that are reflected in the United States Constitution, Amendment X. To be sure, one effect of the bill if enacted would be to allow cities or other local governments to sue for damages incurred as a result of gun violence, even if they are located in states that had sought, through state legislation, to bar such city-initiated lawsuits. But Congress remains free even within our federal system to regulate state and local governments under laws of general applicability, see *Garcia* v. *San Antonio Metropolitan Transit Authority*, 469 U.S. 528 (1985), and the proposed bill does just that. Rather than singling out state or city governments for special advantage or disadvantage, the bill simply confers upon states and cities the same civil litigation rights as it does upon any other ''organization, business, or other person that has been injured by or incurred costs as a result of gun violence.'' Sec. 4(a). Moreover, the proposed bill does not in any way ''commandeer'' the legislative or executive processes of state government in a way that might offend principles of federalism. *See Printz* v. *United States*, 117 S. Ct. 2365 (1997); *New York* v. *United States*, 505 U.S. 144 (1992). It does not require that any state adopt any federally authored law, but instead simply provides federal rights directly to individuals and entitites including but not limited to states and cities. To the extent that the proposed bill would permit civil actions to be brought in state as well as federal forums, it is entirely consistent with Congress's longstanding power to pass laws enforceable in state courts, *see Testa* v. *Katt*, 330 U.S. 386 (1947), a power that neither the *Printz* nor *New York* cases purported to disturb.

I hope these brief remarks are helpful in your deliberations.

Very Truly yours,

KATHLEEN M. SULLIVAN.

HANDGUN CONTROL INC.,
Washington, DC, March 23, 1999.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: On behalf of Handgun Control, I want to commend you for your continued leadership on gun violence prevention issues and to lend our support to the Frearms Rights, Responsibilities and Remedies Act of 1999.

Access to the courts is one of the most fundamental rights accorded our citizens and our communities. The legislation that is being introduced today will protect the right of cities and counties to seek redress in the courts for the gun violence that afflicts so many communities. Cities, like the citizens they represent, should be able to seek compensation for the damages that arise from the negligence or misconduct of the gun industry in the design, manufacture, sale and distribution of their product.

The gun lobby, of course, believes that manufacturers deserve special protection, that cities and counties should be legally prohibited from suing manufacturers so long as they don't knowingly and directly sell guns to convicted felons and other prohibited purchasers. Such a grant of immunity is not only unprecedented, it is wrong. The manufacture of firearms is not subject to consumer regulation. In fact, the Consumer Product Safety Commission is prohibited by law from overseeing the manufacture of guns. As an unregulated industry, gun manufacturers produce guns that all too often discharge when they are dropped. They design guns with a trigger resistance so low that a two-year old child can pull the trigger. Many guns lack essential safety features like a safety, a load indicator or a magazine disconnect safety. And, even though the technology for making guns unusable by children and strangers is readily available, virtually all guns are readily usable by unauthorized users. Time and time again, the gun industry has ignored legitimate concerns regarding consumer and public safety.

But, at the urgent request of the gun lobby, one state has already moved to prevent cities from filing complaints against gun manufacturers and similar bills have been introduced in at least ten states. A bill has even been introduced in Congress that would bar cities from filing any such action. Congress should move to ensure that the right of cities to seek redress in the courts will be preserved. The Firearms Rights, Responsibilities and Remedies Act of 1999 will do just that.

Sincerely,

SARAH BRADY,
Chair.

By Mr. HARKIN:

S. 687. A bill to direct the Secretary of Defense to eliminate the backlog in satisfying requests of former members of the Armed Forces for the issuance or replacement of military medals and decorations; to the Committee on Armed Services.

ELIMINATING THE BACKLOG OF VETERANS REQUESTS FOR MILITARY MEDALS

Mr. HARKIN. Mr. President, I would like to take some time to address an unfulfilled obligation we have to our nation's veterans. The problem is a substantial backlog of requests by veterans for replacement and issuance of military medals. Today, I have introduced a bill, the ''Veterans Expedited Military Medals Act of 1999,'' that would require the Department of Defense to end this backlog.

I first became aware of this issue a few years ago after dozens of Iowa veterans began contacting my State offices requesting assistance in obtaining medals and other military decorations they earned while serving the country. These veterans had tried in vain—usually for months, sometimes for years—to navigate the vast Pentagon bureaucracy to receive their military decorations. The wait for medals routinely exceeded more than a year, even after intervention by my staff. I believe this is unacceptable. Our nation must continue its commitment to recognize the sacrifices made by our veterans in a timely manner. Addressing this simple concern will fulfill an important and solemn promise to those who served to preserve democracy both here and abroad.

Let me briefly share the story of Mr. Dale Homes, a Korean War veteran. Mr. Holmes fired a mortar on the front lines of the Korean War. Stacy Groff, the daughter of Mr. Holmes, tried unsuccessfully for three years through the normal Department of Defense channels to get the medals her father deserved. Ms. Goff turned to me after her letter writing produced no results. My office began an inquiry in January of 1997 and we were not able to resolve the issue favorably until September 1997.

Ms. Groff made a statement about the delays her father experienced that sum up my sentiments perfectly: ''I don't think it's fair. . .My dad deserves—everybody deserves—better treatment than that.'' Ms. Groff could not be more correct. Our veterans deserve better than that from the country they served so courageously.

Another example that came through my district offices is Mr. James Lunde, a Vietnam-era veteran. His brother in law contacted my Des Moines office last year for help in obtaining a Purple Heart and other medals Mr. Lunde earned. These medals have been held up since 1975. Unfortunately, there is still no determination as to when Mr. Lunde's medals will be sent.

The numbers are disheartening and can sound almost unbelievable. For example, a small Army Reserve staff at the St. Louis Office faces a backlog of tens of thousands of requests for medals. So why the lengthy delays?

The primary reason DOD officials cite for these unconscionable delays is personnel and other resource shortages resulting from budget cuts and hiring freezes. For example, the Navy Liaison Office has gone from 5 or more personnel to 3 within the last 3 years. Prior to this, the turnaround time was 4–5 months. Budget shortages have delayed the agencies ability to replace employees who have left, and in cases where they can be replaced, the ''learning curve'' in training new employees leads to further delays.

Last year, during the debate over the Defense Appropriations bill, I offered an amendment to move the Department of Defense to end the backlog of unfulfilled military medal requests. The amendment was accepted by unanimous consent. Unfortunately, the Pentagon has not moved to fix the problem. In fact, according to a recent communication from the Army, the problem has only worsened. The Army currently cites a backlog of 98,000 requests for medals.

So today, I am introducing a bill to fix the problem once and for all. My bill directs the Secretary of Defense to allocate resources necessary to eliminate the backlog of requests for military medals. Specifically, the Secretary of Defense shall make available to the Army Reserve Personnel Command, the Bureau of Naval Personnel, the Air Force Personnel Center, the National Archives and Records Administration, and any other relevant office or command, the resources necessary to solve the problem. These resources could be in the form of increased personnel, equipment or whatever these offices need for this problem. In addition, this reallocation of resources is only to be made in a way that ''does not detract from the performance of other personnel service and personnel support activities within the DOD.'' Representative Lane Evans of Illinois has introduced similar legislation in the House of Representatives.

Veterans organizations have long recognized the huge backlog of medal requests. The Veterans of Foreign Wars supports my legislation. I ask that a copy of the letter of support be included in the record.

Our veterans are not asking for much. Their brave actions in time of war deserve our highest respect, recognition, and admiration. My amendment will help expedite the recognition they so richly deserve. Our veterans deserve nothing less.

Mr. President, I ask unanimous consent that the text of the bill and a letter in support be printed in the RECORD.

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

S. 687

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 ''Veterans Expedited Military Medals Act of 1999''.

SEC. 2. ELIMINATION OF BACKLOG IN REQUESTS FOR REPLACEMENT OF MILITARY MEDALS AND OTHER DECORATIONS.

(a) SUFFICIENT RESOURCING REQUIRED.—The Secretary of Defense shall make available funds and other resources at the levels that are necessary for ensuring the elimination of the backlog of the unsatisfied requests made to the Department of Defense for the issuance or replacement of military decorations for former members of the Armed Forces. The organizations to which the necessary funds and other resources are to be made available for that purpose are as follows:

(1) The Army Reserve Personnel Command.

(2) The Bureau of Naval Personnel.

(3) The Air Force Personnel Center.

(4) The National Archives and Records Administration

(b) CONDITION.—The Secretary shall allocate funds and other resources under subsection (a) in a manner that does not detract from the performance of other personnel service and personnel support activities within the Department of Defense.

(c) REPLACEMENT DECORATION DEFINED.—For the purposes of this section, the term ''decoration'' means a medal or other decoration that a former member of the Armed Forces was awarded by the United States for military service of the United States.

SEC. 3. REPORT.

Not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the status of the backlog described in section 2(a). The report shall include a plan for eliminating the backlog.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, February 11, 1999.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: On behalf of the 2.1 million members of the Veterans of Foreign Wars of the United States (VFW), I thank you for introducing a bill to eliminate the backlog in requests for the replacement of military medals and other decorations. This bill would address an unfilled obligation we have to our nation's veterans. The VFW realizes that the substantial backlog of requests by veterans for medals needs to be rectified in an auspicious manner.

If passed, the Secretary of Defense will make available to the Army Reserve Personnel Command, the Bureau of Naval Personnel, the Air Force Personnel Center, the National Archives and Records Administration, and any other relevant office or command, the resources necessary to resolve the problem. The VFW believes that addressing this concern will fulfill an important and solemn promise to those who risked their lives serving their country.

The VFW thanks you for making veterans a number one priority. They deserve the best from the country they served so courageously.

Sincerely,

DENNIS CULLINAN,
Director, National Legislative Service.

By Mr. SARBANES (for himself, Mr. REID, Mr. MURKOWSKI, Mrs. BOXER, Mr. KENNEDY, Mr. MOYNIHAN, Mr. SCHUMER, Mr. KERRY, and Mrs. MURRAY):

S. 690. A bill to provide for mass transportation in national parks and related public lands; to the Committee on Energy and Natural Resources.

TRANSIT IN PARKS (TRIP) ACT

Mr. SARBANES. Mr. President, today I am introducing legislation, entitled the ''Transit in Parks Act'' or TRIP, to help ease the congestion, protect our nation's natural resources, and improve mobility and accessibility in our National Parks and Wildlife Refuges. I am pleased to be joined by Senators REID, MURKOWSKI, BOXER, KENNEDY, MOYNIHAN, SCHUMER, KERRY, and MURRAY who are cosponsors of this important legislation.

The TRIP legislation is a new federal transit grant initiative that is designed to provide mass transit and alternative transportation services for our national parks, our wildlife refuges, federal recreational areas, and other public lands managed by three agencies of the Department of the Interior. I first introduced similar legislation on Earth Day, 1998 and, during consideration of the Transportation Equity Act for the 21st Century, or TEA–21, part of my original bill was included as section 3039, authorizing a comprehensive study of alternative transportation needs in our national park lands. The objective of this study is to better identify those areas with existing and potential problems of congestion and pollution, or which can benefit from mass transportation services, and to identify and estimate the project costs for these sites. The fiscal year 1999 Transportation Appropriations bill included $2 million to help fund this important study. I am pleased to report that much important research that will more fully examine the park transportation and resource management needs and outline potential solutions and benefits is underway.

Before discussing the bill in greater detail, let me first provide some background on the management issues facing the National Park System.

When the national parks first opened in the second half of the nineteenth century, visitors arrived by stagecoach along dirt roads. Travel through parklands, such as Yosemite or Yellowstone, was difficult and long and costly. Not many people could afford or endure such a trip. The introduction of the automobile gave every American greater mobility and freedom, which included the freedom to travel and see some of our nation's great natural wonders. Early in this century, landscape architects from the National Park Service and highway engineers from the U.S. Bureau of Public Roads collaborated to produce many feats of road engineering that opened the national park lands to millions of Americans.

Yet greater mobility and easier access now threaten the very environments that the National Park Service is mandated to protect. The ongoing tension between preservation and access has always been a challenge for our national park system. Today, record numbers of visitors and cars has resulted in increasing damage to our parks. The Grand Canyon alone has five million visitors a year. It may surprise you to know that the average visitor stay is only three hours. As many as 6,000 vehicles arrive in a single summer day. They compete for 2,000 parking spaces. Between 32,000 and 35,000 tour buses go to the park each year. During the peak summer season, the entrance route becomes a giant parking lot.

In the decade from 1984 to 1994, the number of visits to America's national parks increased 25 percent, rising from 208 million to 269 million a year. This is equal to more than one visit by every man, woman, and child in this country. This has created an overwhelming demand on these areas, resulting in severe traffic congestion, visitor restrictions, and in some instances vacationers being shut-out of the parks altogether. The environmental damage at the Grand Canyon is visible at many other parks: Yosemite, which has more than four million visitors a year; Yellowstone, which has more than three million visitors a year

and experiences such severe traffic congestion that access has to be restricted; Zion; Acadia; Bryce; and many others. We need to solve these problems now or risk permanent damage to our nation's natural, cultural, and historical heritage.

My legislation builds upon two previous initiatives to address these problems. First is the study of alternative transportation strategies in our national parks that was mandated by the Intermodal Surface Transportation Efficiency Act of 1991, ISTEA. This study, completed by the National Park Service nearly five years ago in May 1994, found that many of our most heavily visited national parks are experiencing the same problems of congestion and pollution that afflict our cities and metropolitan areas. Yet, overwhelmingly, the principal transportation systems that the Federal Government has developed to provide access into our national parks are roads primarily for private automobile access.

Second, in November 1997, Secretary of Transportation Rodney Slater and Secretary of the Interior Bruce Babbitt signed an agreement to work together to address transportation and resource management needs in and around national parks. The findings in the Memorandum of Understanding entered into by the two departments are especially revealing:

> Congestion in and approaching many National Parks is causing lengthy traffic delays and backups that substantially detract from the visitor experience. Visitors find that many of the National Parks contain significant noise and air pollution, and traffic congestion similar to that found on the city streets they left behind.
>
> In many National Park units, the capacity of parking facilities at interpretive or science areas is well below demand. As a result, visitors park along roadsides, damaging park resources and subjecting people to hazardous safety conditions as they walk near busy roads to access visitor use areas.
>
> On occasion, National Park units must close their gates during high visitation periods and turn away the public because the existing infrastructure and transportation systems are at, or beyond, the capacity for which they were designed.

The challenge for park management is twofold: to conserve and protect the nation's natural, historical, and cultural resources, while at the same time ensuring visitor access and enjoyment of these sensitive environments.

The Transit in Parks Act will go far to meeting this challenge. The bill's objectives are to develop new and expanded mass transit services throughout the national parks and other public lands to conserve and protect fragile natural, cultural, and historical resources, to prevent adverse impact on those resources, and to reduce pollution and congestion, while at the same time facilitating appropriate visitor access and improving the visitor experience. This new federal transit grant program will provide funding to three Federal land management agencies in the Department of the Interior—the National Park Service, the U.S. Fish and Wildlife Service, and the Bureau of Land Management—that manage the 378 various parks within the National Park System, including National Battlefields, Monuments and National Seashores, as well as the National Wildlife Refuges and federal recreational areas. The program will allocate capital funds for transit projects, including rail or clean fuel bus projects, joint development activities, pedestrian and bike paths, or park waterway access, within or adjacent to national park lands. The bill authorizes $50 million for this new program for each of the fiscal years 2000 through 2003. It is anticipated that other resources—both public and private—will be available to augment these amounts in the initial phase.

The bill formalizes the cooperative arrangement in the 1997 MOU between the Secretary of Transportation and the Secretary of the Interior to exchange technical assistance and to develop procedures relating to the planning, selection and funding of transit projects in national park lands. The projects eligible for funding would be developed through the TEA–21 planning process and selected in consultation and cooperation with the Secretary of the Interior. The bill provides funds for planning, research, and technical assistance that can supplement other financial resources available to the Federal land management agencies. It is anticipated that the Secretary of Transportation would select projects that are diverse in location and size. While major national parks such as the Grand Canyon or Yellowstone are clearly appropriate candidates for significant transit projects under this section, there are numerous small urban and rural Federal park lands that can benefit enormously from small projects, such as bike paths or improved connections with an urban or regional public transit system. Project selection should include the following criteria: the historical and cultural significance of a project; safety; and the extent to which the project would conserve resources, prevent adverse impact, enhance the environment, improve mobility, and contribute to livable communities.

The bill also identifies projects of regional or national significance that more closely resemble the Federal transit program's New Starts projects. Where the project costs are $25 million or greater, the projects will comply with the transit New Starts requirements. No single project will receive more than 12 percent of the total amount available in any given year. This ensures a diversity of projects selected for assistance.

I firmly believe that this program can create new opportunities for the Federal land management agency to partner with local transit agencies in gateway communities adjacent to the parks, both through the TEA–21 planning process and in developing integrated transportation systems. This will spur new economic development within these communities, as they develop transportation centers for park visitors to connect to transit links into the national parks and other public lands.

Mr. President, the ongoing tension between preservation and access has always been a challenge for the National Park Service. Today, that challenge has new dimensions, with overcrowding, pollution, congestion, and resource degradation increasing at many of our national parks. This legislation—the Transit in Parks Act—will give our Federal land management agencies important new tools to improve both preservation and access. Just as we have found in metropolitan areas, transit is essential to moving large numbers of people in our national parks—quickly, efficiently, at low cost, and without adverse impact. At the same time, transit can enhance the economic development potential of our gateway communities.

As we begin the final countdown to a new millennium, I cannot think of a more worthy endeavor to help our environment and preserve our national parks, wildlife refuges, and federal recreational areas than by encouraging alternative transportation in these areas. My bill is strongly supported by the American Public Transit Association, the National Parks and Conservation Association, the Surface Transportation Policy Project, the Natural Resources Defense Council, the Community Transportation Association of America, the Environmental Defense Fund, American Planning Association, Bicycle Federation of America, Friends of the Earth, Izaak Walton League of America, National Association of Counties, National Trust for Historic Preservation, Rails-to-Trails Conservancy, Scenic America, The Wilderness Society, and the Environmental and Energy Study Institute, and I ask unanimous consent that the bill, and a section-by-section analysis, and letters of support be printed in the RECORD.

Mr. President, I urge my colleagues to support this important legislation and to recognize the enormous environmental and economic benefits that transit can bring to our national parks.

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

S. 690

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 ''Transit in Parks (TRIP) Act''.

SEC. 2. MASS TRANSPORTATION IN NATIONAL PARKS AND RELATED PUBLIC LANDS.

(a) IN GENERAL.—Chapter 53 of title 49, United States Code, is amended by adding at the end the following:

''§ 5339. Mass transportation in national parks and related public lands

''(a) POLICIES, FINDINGS, AND PURPOSES.—

''(1) DEVELOPMENT OF TRANSPORTATION SYSTEMS.—It is in the interest of the United

States to encourage and promote the development of transportation systems for the betterment of the national parks and other units of the National Park System, national wildlife refuges, recreational areas, and other public lands in order to conserve natural, historical, and cultural resources and prevent adverse impact, relieve congestion, minimize transportation fuel consumption, reduce pollution (including noise and visual pollution), and enhance visitor mobility and accessibility and the visitor experience.

''(2) GENERAL FINDINGS.—Congress finds that—

''(A) section 1050 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) authorized a study of alternatives for visitor transportation in the National Park System which was released by the National Park Service in May 1994;

''(B) the study found that—

''(i) increasing traffic congestion in the national parks requires alternative transportation strategies to enhance resource protection and the visitor experience and to reduce congestion;

''(ii) visitor use, National Park Service units, and concession facilities require integrated planning; and

''(iii) the transportation problems and visitor services require increased coordination with gateway communities;

''(C) on November 25, 1997, the Department of Transportation and the Department of the Interior entered into a Memorandum of Understanding to address transportation needs within and adjacent to national parks and to enhance cooperation between the departments on park transportation issues;

''(D) to initiate the Memorandum of Understanding, and to implement President Clinton's 'Parks for Tomorrow' initiative, outlined on Earth Day, 1996, the Department of Transportation and the Department of the Interior announced, in December 1997, the intention to implement mass transportation services in the Grand Canyon National Park, Zion National Park, and Yosemite National Park;

''(E) section 3039 of the Transportation Equity Act for the 21st Century authorized a comprehensive study, to be conducted by the Secretary of Transportation in coordination with the Secretary of the Interior, and submitted to Congress on January 1, 2000, of alternative transportation in national parks and related public lands, in order to—

''(i) identify the transportation strategies that improve the management of the national parks and related public lands;

''(ii) identify national parks and related public lands with existing and potential problems of adverse impact, high congestion, and pollution, or which can benefit from alternative transportation modes;

''(iii) assess the feasibility of alternative transportation modes; and

''(iv) identify and estimate the costs of those alternative transportation modes;

''(F) many of the national parks and related public lands are experiencing increased visitation and congestion and degradation of the natural, historical, and cultural resources;

''(G) there is a growing need for new and expanded mass transportation services throughout the national parks and related public lands to conserve and protect fragile natural, historical, and cultural resources, prevent adverse impact on those resources, and reduce pollution and congestion, while at the same time facilitating appropriate visitor mobility and accessibility and improving the visitor experience;

''(H) the Federal Transit Administration, through the Department of Transportation, can assist the Federal land management agencies through financial support and technical assistance and further the achievement of national goals to enhance the environment, improve mobility, create more livable communities, conserve energy, and reduce pollution and congestion in all regions of the country; and

''(I) immediate financial and technical assistance by the Department of Transportation, working with Federal land management agencies and State and local governmental authorities to develop efficient and coordinated mass transportation systems within and adjacent to national parks and related public lands is essential to conserve natural, historical, and cultural resources, relieve congestion, reduce pollution, improve mobility, and enhance visitor accessibility and the visitor experience.

''(3) GENERAL PURPOSES.—The purposes of this section are—

''(A) to develop a cooperative relationship between the Secretary of Transportation and the Secretary of the Interior to carry out this section;

''(B) to encourage the planning and establishment of mass transportation systems and nonmotorized transportation systems needed within and adjacent to national parks and related public lands, located in both urban and rural areas, that enhance resource protection, prevent adverse impacts on those resources, improve visitor mobility and accessibility and the visitor experience, reduce pollution and congestion, conserve energy, and increase coordination with gateway communities;

''(C) to assist Federal land management agencies and State and local governmental authorities in financing areawide mass transportation systems to be operated by public or private mass transportation authorities, as determined by local and regional needs, and to encourage public-private partnerships; and

''(D) to assist in the research and development of improved mass transportation equipment, facilities, techniques, and methods with the cooperation of public and private companies and other entities engaged in the provision of mass transportation services.

''(b) DEFINITIONS.—In this section—

''(1) the term 'Federal land management agency' means the National Park Service, the United States Fish and Wildlife Service, or the Bureau of Land Management;

''(2) the term 'national parks and related public lands' means the national parks and other units of the National Park System, national wildlife refuges, recreational areas, and other public lands managed by the Federal land management agencies;

''(3) the term 'qualified participant' means a Federal land management agency, or a State or local governmental authority, acting alone, in partnership, or with another Governmental or nongovernmental participant;

''(4) the term 'qualified mass transportation project' means a project—

''(A) that is carried out within or adjacent to national parks and related public lands; and

''(B) that—

''(i) is a capital project, as defined in section 5302(a)(1) (other than preventive maintenance activities);

''(ii) is any activity described in section 5309(a)(1)(A);

''(iii) involves the purchase of rolling stock that incorporates clean fuel technology or the replacement of existing buses with clean fuel vehicles or the deployment of mass transportation vehicles that introduce new technology;

''(iv) relates to the capital costs of coordinating the Federal land management agency mass transportation systems with other mass transportation systems;

''(v) involves nonmotorized transportation systems, including the provision of facilities for pedestrians and bicycles;

''(vi) involves the development of waterborne access within or adjacent to national parks and related public lands, including watercraft, as appropriate to and consistent with the purposes described in subsection (a)(3); or

''(vii) is any transportation project that—

''(I) enhances the environment;

''(II) prevents adverse impact on natural resources;

''(III) improves Federal land management agency resources management;

''(IV) improves visitor mobility and accessibility and the visitor experience;

''(V) reduces congestion and pollution, including noise and visual pollution;

''(VI) conserves natural, historical, and cultural resources (other than through the rehabilitation or restoration of historic buildings); and

''(VII) incorporates private investment; and

''(5) the term 'Secretary' means the Secretary of Transportation.

''(c) FEDERAL AGENCY COOPERATIVE ARRANGEMENTS.—

''(1) IN GENERAL.—The Secretary shall develop a cooperative relationship with the Secretary of the Interior, which shall provide for—

''(A) the exchange of technical assistance;

''(B) interagency and multidisciplinary teams to develop Federal land management agency transportation policy, procedures, and coordination; and

''(C) the development of procedures and criteria relating to the planning, selection, and funding of qualified mass transportation projects, and implementation and oversight of the project plan in accordance with the requirements of this section.

''(2) PROJECT SELECTION.—The Secretary, after consultation and in cooperation with the Secretary of the Interior, shall determine the final selection and funding of projects in accordance with this section.

''(d) TYPES OF ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may contract for or enter into grants, cooperative agreements, or other agreements with a qualified participant to carry out a qualified mass transportation project under this section.

''(2) OTHER USES.—A grant or cooperative agreement or other agreement for a qualified mass transportation project under this section also is available to finance the leasing of equipment and facilities for use in mass transportation, subject to regulations the Secretary prescribes limiting the grant or cooperative arrangement or other agreement to leasing arrangements that are more cost effective than purchase or construction.

''(e) LIMITATION ON USE OF AVAILABLE AMOUNTS.—The Secretary may not use more than 5 percent of the amount made available for a fiscal year under section 5338(j) to carry out planning, research, and technical assistance under this section, including the development of technology appropriate for use in a qualified mass transportation project. Amounts made available under this subsection are in addition to amounts otherwise available for planning, research, and technical assistance under this title or any other provision of law.

''(f) PLANNING PROCESS.—In undertaking a qualified mass transportation project under this section—

''(1) if the qualified participant is a Federal land management agency—

''(A) the Secretary, in cooperation with the Secretary of the Interior, shall develop transportation planning procedures that are

consistent with sections 5303 through 5305; and

''(B) the General Management Plans of the units of the National Park System shall be incorporated into the planning process;

''(2) if the qualified participant is a State or local governmental authority, or more than 1 State or local governmental authority in more than 1 State, the qualified participant shall comply with sections 5303 through 5305;

''(3) if the national parks and related public lands at issue lie in multiple States, there shall be cooperation in the planning process under sections 5303 through 5305, to the maximum extent practicable, as determined by the Secretary, between those States and the Secretary of the Interior; and

''(4) the qualified participant shall comply with the public participation requirements of section 5307(c).

''(g) GOVERNMENT'S SHARE OF COSTS.—

''(1) IN GENERAL.—The Secretary shall establish the Federal Government share of assistance to a qualified participant under this section.

''(2) CONSIDERATIONS.—In establishing the Government's share of the net costs of a qualified transportation project under paragraph (1), the Secretary shall consider—

''(A) visitation levels and the revenue derived from user fees in the national parks and related public lands at issue;

''(B) the extent to which the qualified participant coordinates with an existing public or private mass transportation authority;

''(C) private investment in the qualified mass transportation project, including the provision of contract services, joint development activities, and the use of innovative financing mechanisms;

''(D) the clear and direct benefit to a qualified participant assisted under this section; and

''(E) any other matters that the Secretary considers appropriate to carry out this section.

''(3) NON-FEDERAL SHARE.—Notwithstanding any other provision of law, Federal funds appropriated to any Federal land management agency may be counted toward the non-Federal share of the costs of any mass transportation project that is eligible for assistance under this section.

''(h) SELECTION OF QUALIFIED MASS TRANSPORTATION PROJECTS.—In awarding assistance for a qualified mass transportation project under this section, the Secretary shall consider—

''(1) project justification, including the extent to which the project would conserve the resources, prevent adverse impact, and enhance the environment;

''(2) the location of the qualified mass transportation project, to assure that the selection of projects—

''(A) is geographically diverse nationwide; and

''(B) encompasses both urban and rural areas;

''(3) the size of the qualified mass transportation project, to assure a balanced distribution;

''(4) historical and cultural significance of a project;

''(5) safety;

''(6) the extent to which the project would enhance livable communities;

''(7) the extent to which the project would reduce pollution, including noise and visual pollution;

''(8) the extent to which the project would reduce congestion and improve the mobility of people in the most efficient manner; and

''(9) any other matters that the Secretary considers appropriate to carry out this section.

''(i) PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—

''(1) GENERAL AUTHORITY.—In addition to other qualified mass transportation projects, the Secretary may select a qualified mass transportation project that is of regional or national significance, or that has significant visitation, or that can benefit from alternative transportation solutions to problems of resource management, pollution, congestion, mobility, and accessibility. Such projects shall meet the criteria set forth in paragraphs (1) through (4) of section 5309(e), as applicable.

''(2) PROJECT SELECTION CRITERIA.—

''(A) CONSIDERATIONS.—In selecting a qualified mass transportation project described in paragraph (1), the Secretary shall consider, as appropriate, in addition to the considerations set forth in subsection (h)—

''(i) visitation levels;

''(ii) the use of innovative financing or joint development strategies;

''(iii) coordination with the gateway communities; and

''(iv) any other matters that the Secretary considers appropriate to carry out this subsection.

''(B) CERTAIN LOCATIONS.—For fiscal years 2000 through 2003, projects described in paragraph (1) may include the following locations:

''(i) Grand Canyon National Park.

''(ii) Zion National Park.

''(iii) Yosemite National Park.

''(iv) Acadia National Park.

''(C) LIMIT.—No project assisted under this subsection shall receive more than 12 percent of the total amount made available under this section in any fiscal year.

''(D) FULL FUNDING GRANT AGREEMENTS.—A project assisted under this subsection whose net project cost is greater than $25,000,000 shall be carried out through a full funding grant agreement in accordance with section 5309(g).

''(j) UNDERTAKING PROJECTS IN ADVANCE.—

''(1) IN GENERAL.—The Secretary may pay the Government's share of the net project cost to a qualified participant that carries out any part of a qualified mass transportation project without assistance under this section, and according to all applicable procedures and requirements, if—

''(A) the qualified participant applies for the payment;

''(B) the Secretary approves the payment; and

''(C) before carrying out that part of the project, the Secretary approves the plans and specifications in the same way as other projects assisted under this chapter.

''(2) INTEREST.—The cost of carrying out a part of a project referred to in paragraph (1) includes the amount of interest earned and payable on bonds issued by the State or local governmental authority, to the extent proceeds of the bond are expended in carrying out that part. However, the amount of interest under this paragraph may not exceed the most favorable interest terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a manner that is satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financial terms.

''(3) COST CHANGE CONSIDERATIONS.—The Secretary shall consider changes in project cost indices when determining the estimated cost under paragraph (2).

''(k) PROJECT MANAGEMENT OVERSIGHT.—The Secretary may use not more than 0.5 percent of amounts made available under this section for a fiscal year to oversee projects and participants in accordance with section 5327.

''(l) RELATIONSHIP TO OTHER LAWS.—

''(1) IN GENERAL.—Except as otherwise specifically provided in this section, but subject to paragraph (2) of this subsection, the Secretary shall require that all grants, contracts, cooperative agreements, or other agreements under this section shall be subject to the requirements of sections 5307(d), 5307(i), and any other terms, conditions, requirements, and provisions that the Secretary determines are necessary or appropriate to carry out this section, including requirements for the distribution of proceeds on disposition of real property and equipment resulting from the project assisted under this section.

''(2) LABOR STANDARDS.—Sections 5323(a)(1)(D) and 5333(b) apply to assistance provided under this section.

''(m) STATE INFRASTRUCTURE BANKS.—A project assisted under this section shall be eligible for funding through a State Infrastructure Bank or other innovative financing mechanism otherwise available to finance an eligible mass transportation project under this chapter.

''(n) ASSET MANAGEMENT.—The Secretary may transfer the Department of Transportation interest in and control over all facilities and equipment acquired under this section to a qualified participant for use and disposition in accordance with property management rules and regulations of the department, agency, or instrumentality of the Federal Government.

''(o) COORDINATION OF RESEARCH AND DEPLOYMENT OF NEW TECHNOLOGIES.—The Secretary may undertake, or make grants or contracts (including agreements with departments, agencies, and instrumentalities of the Federal Government) or other agreements for research, development, and deployment of new technologies that will conserve resources and prevent adverse environmental impact, improve visitor mobility, accessibility and enjoyment, and reduce pollution, including noise and visual pollution, in the national parks and related public lands. The Secretary may request and receive appropriate information from any source. This subsection does not limit the authority of the Secretary under any other provision of law.

''(p) REPORT.—The Secretary, in consultation with the Secretary of the Interior, shall report annually to the Committee on Transportation and Infrastructure of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate, on the allocation of amounts to be made available to assist qualified mass transportation projects under this section. Such reports shall be included in each report required under section 5309(p).''.

(b) AUTHORIZATIONS.—Section 5338 of title 49, United States Code, is amended by adding at the end the following:

''(j) SECTION 5339.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out section 5339 $50,000,000 for each of fiscal years 2000 through 2003.

''(2) AVAILABILITY.—Amounts made available under this subsection for any fiscal year shall remain available for obligation until the last day of the third fiscal year commencing after the last day of the fiscal year for which the amounts were initially made available under this subsection.''.

(c) CONFORMING AMENDMENT.—The analysis for chapter 53 of title 49, United States Code, is amended by adding at the end the following:

''5339. Mass transportation in national parks and related public lands.''.

(d) TECHNICAL AMENDMENTS.—Chapter 53 of title 49, United States Code, is amended—

(1) in section 5309—

(A) by redesignating subsection (p) as subsection (q); and

(B) by redesignating the second subsection designated as subsection (o) (as added by section 3009(i) of the Federal Transit Act of 1998 (112 Stat. 356–357)) as subsection (p);

(2) in section 5328(a)(4), by striking ''5309(o)(1)'' and inserting ''5309(p)(1)''; and

(3) in section 5337, by redesignating the second subsection designated as subsection (e) (as added by section 3028(b) of the Federal Transit Act of 1998 (112 Stat. 367)) as subsection (f).

SECTION-BY-SECTION OF THE TRANSIT IN PARKS ACT

I. Amends Federal Transit laws by adding new section 5339, ''Mass Transportation in National Parks and Related Public Lands.''

II. Statement of Policies, Findings, and Purposes:

To encourage and promote the development of transportation systems for the betterment of national parks and related public lands and to conserve natural, historical, and cultural resources and prevent adverse impact, relieve congestion, minimize transportation fuel consumption, reduce pollution and enhance visitor mobility and accessibility and the visitor experience.

To that end, this program establishes federal assistance to certain Federal land management agencies and State and local governmental authorities to finance mass transportation capital projects, to encourage public-private partnerships, and to assist in the research and deployment of improved mass transportation equipment and methods.

III. Definitions:

(1) eligible ''Federal land management agencies'' are: National Park Service, U.S. Fish and Wildlife Service, Bureau of Land Management (all under Department of the Interior).

(2) ''national parks and related public lands'': eligible areas under the management of these agencies

(3) ''qualified mass transportation project'': a capital mass transportation project carried out within or adjacent to national parks and related public lands, including rail projects, clean fuel vehicles, joint development activities, pedestrian and bike paths, waterborne access, or projects that otherwise better protect the national parks and related public lands and increase visitor mobility and accessibility.

IV. Federal Agency Cooperative Arrangements:

Implements the Memorandum of Understanding between the Departments of Transportation and the Interior for the exchange of technical assistance, the development of transportation policy and coordination, and the establishment of criteria for planning, selection and funding of capital projects under this section. The Secretary of Transportation selects the projects, after consultation with Secretary of the Interior.

V. Assistance:

To be provided through grants, cooperative agreements, or other agreements, including leasing under certain conditions, for an eligible capital project under this section. Not more than 5% of the amounts available can be used for planning, research and technical assistance, and these amounts can be supplemented from other sources.

VI. Planning Process:

The Departments of Transportation and Interior shall cooperatively develop a planning process consistent with the TEA–21 planning process in sections 5303 through 5305 of the Federal Transit laws.

VII. Government's Share of the Costs:

In determining the Federal Transit Administration share of the project costs, the Secretary of Transportation must consider certain factors, including visitation levels and user fee revenues, the coordination in the project development with a public or private transit authority, private investment, and whether there is a clear and direct financial benefit to the applicant. The intent is to establish criteria for a sliding scale of assistance, with a lower Government share for large projects that can attract outside investment, and a higher Government share for projects that may not have access to such outside resources. In addition, funds from the Federal land management agencies can be counted as the local share.

VIII. Selection of Projects:

The Secretary shall consider: (1) project justification, including the extent to which the project conserves the resources, prevents adverse impact and enhances the environment; (2) project location to ensure geographic diversity and both rural and urban projects; (3) project size for a balanced distribution; (4) historical and cultural significance; (5) safety; (6) the extent to which the project would enhance livable communities; (7) the reduction of pollution, including noise and visual pollution; (8) the reduction of congestion and the improvement of the mobility of people in the most efficient manner; and (9) any other considerations the Secretary deems appropriate. Projects funded under this section must meet certain transit law requirements.

IX. Projects of Regional or National Significance:

This is a special category that sets forth criteria for special, generally larger, projects or for those areas that may have problems of resource management, pollution, congestion, mobility, and accessibility that can be addressed by this program. Additional project selection criteria include: visitation levels; the use of innovative financing or joint development strategies; coordination with the gateway communities; and any other considerations the Secretary deems appropriate. Projects under this section must meet certain Federal Transit New Starts criteria. This section identifies some locations that may fit these criteria. Any project in this category that is $25 million or greater in cost will have a full funding grant agreement similar to Federal Transit New Starts projects. No project can receive more than 12% of the total amount available in any given year.

X. Undertaking Projects in Advance:

This provision applies current transit law to this section, allowing projects to advance prior to receiving Federal funding, but allowing the advance activities to be counted so the local share as long as certain conditions are met.

XI. Project Management Oversight:

This provision applies current transit law to this section, limiting oversight funds to 0.5% per year of the funds made available for this section.

XII. Relationship to Other Laws:

This provision applies certain transit laws to all projects funded under this section and permits the Secretary to apply any other terms or conditions he deems appropriate.

XIII. State Infrastructure Banks:

A project assisted under this section can also use funding from a State Infrastructure Bank or other innovative financing mechanism that funds eligible transit projects.

XIV. Asset Management:

This provision permits the Secretary of Transportation to transfer control over a transit asset acquired with Federal funds under this section in accord with certain Federal property management rules.

XV. Coordination of Research and Deployment of New Technologies:

This provision allows grants for research and deployment of new technologies to meet the special needs of the national park lands.

XVI. Report:

This requires the Secretary of Transportation to submit a report on projects funded under this section to the House Transportation and Infrastructure Committee and the Senate Banking, Housing, and Urban Affairs Committee, to be included in the Department's annual project report.

XVII. Authorization:

$50,000,000 is authorized to be appropriated for the Secretary to carry out this program for each of the fiscal years 2000 through 2003.

XVIII. Technical Amendments:

Technical corrections to the transit title in TEA–21.

AMERICAN PUBLIC TRANSIT ASSOCIATION,
Washington, DC, January 25, 1999.

Hon. PAUL S. SARBANES,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: Thank you for forwarding us a copy of the ''Transit in Parks (TRIP) Act'' which would amend federal transit law at chapter 53, title 49 U.S.C.

The Act would authorize federal assistance to certain federal agencies and state and local entities to finance mass transit projects generally for the purpose of addressing transportation congestion and mobility issues at national parks. Among other things, the bill would implement the Memorandum of Understanding between the Departments of Transportation and Interior regarding joint efforts of those federal agencies to encourage the use of public transportation at national parks.

We strongly supported that Memorandum of Understanding, and I am just as pleased to support your efforts to improve mobility in our national parks. Public transportation clearly has much to offer citizens who visit these national treasures, where congestion and pollution are significant—and growing—problems. Moreover, this legislation should broaden the base of support for public transportation, a key principle APTA has been advocating for many years. In that regard, we will be reviewing your bill with APTA's legislative leadership.

We also look forward to participating in the study of these issues you were successful in including in TEA 21.

I applaud you for introducing the legislation, and look forward to continuing to work with you and your staff. Let us know what we can do to help your initiative!

Sincerely yours,

WILLIAM W. MILLAR,
President.

FEBRUARY 24, 1999.

Hon. PAUL SARBANES,
U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: This letter expresses our support for the legislation you are introducing, the Transit in Parks Act, which provides a direct funding source for alternative transportation projects in our national parks and other federally-managed public lands. As you know, many of these areas are experiencing unprecedented numbers of visitors resulting in severe traffic

congestion and degradation of some of the country's most valuable and treasured natural, cultural and historic resources.

You bill's establishment of a new program within the Federal Transit Administration, dedicated to enhancing transit options in and adjacent to these park lands, can have a powerful, positive effect on the future integrity of the park lands and their resources by reducing the need for access by automobile, improving visitor access, and enhancing the visitor experience.

We appreciate your leadership, which has been critical in bringing attention to this emerging issue. The programs funded through TRIP will be a major building block in what we hope will be a broad effort to lessen the impacts of visitation on these most important natural areas. We look forward to working with you to move this legislation to enactment.

Sincerely,

American Planning Association; American Public Transit Association; Bicycle Federation of America; Community Transportation Association of America; Environmental Defense Fund; Environmental and Energy Study Institute; Friends of the Earth; Izaak Walton League of America; National Association of Counties; National Trust for Historic Preservation; Natural Resources Defense Council; Rails-to-Trails Conservancy; Scenic America; Surface Transportation Policy Project; The Wilderness Society.

NATIONAL PARKS AND CONSERVATION ASSOCIATION,
Washington, DC, March 9, 1999.

Hon. PAUL SARBANES,
Hart Office Building,
Washington, DC.

DEAR SENATOR SARBANES: On behalf of the National Parks and Conservation Association (NPCA) and its nearly 400,000 members, I want to thank you for proposing a bill that will enhance transit options for access to and within our national parks. NPCA applauds your leadership and foresight in recognizing the critical role that mass transit can play in protecting our parks and improving the visitor experience.

Visitation to America's national parks has skyrocketed during the past two decades, from 190 million visitors in 1975 to approximately 270 million visitors last year. Increased public interest in these special places has placed substantial burdens on the very resources that draw people to the parks. As more and more individuals crowd into our national parks—typically by automobile—fragile habitat, endangered plants and animals, unique cultural treasures, and spectacular natural resources and vistas are being damaged from air and water pollution, noise intrusion, and inappropriate use.

As outlined in your legislation, the establishment of a program within the Federal Transit Administration dedicated to enhancing transit options in and adjacent to the national parks will have a powerful, positive effect on the future ecological and cultural integrity of the parks. Your initiative will boost the role of alternative transportation solutions for national parks, particularly those most heavily impacted by visitation such as Yellowstone, Yosemite, the Grand Canyon, Acadia, Zion, and the Great Smoky Mountains. For instance, development of transportation centers and auto parking lots outside the parks, complemented by the use of buses, vans, or rail systems, would provide much more efficient means of handling the crush of visitation.

Equally important, the legislation will provide an excellent opportunity for the National Park Service (NPS) to enter into public/private partnerships with states, localities, and the private sector, providing a wider range of transportation options than exists today. These partnerships could leverage funds that NPS currently has great difficulty accessing.

NPCA wholeheartedly endorses your bill as a creative new mechanism to fulfill the primary mission of the National Park System: ''to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.''

We look forward to working with you to move this legislation to enactment.

Sincerely,

THOMAS C. KIERNAN,
President.

NATURAL RESOURCES DEFENSE COUNCIL,
Washington, DC, February 2, 1999.

Hon. PAUL SARBANES,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR PAUL SARBANES: On behalf of the 450,000 members of the Natural Resources Defense Council, I am writing to support your Transit in Parks Act. Many of our national parks are suffering from the impacts of too many automobiles: traffic congestion, air and water pollution, and disturbance of natural ecosystems resulting in the degradation of national park natural and cultural resources and the visitor's experience. Providing dedicated funding for transit projects in our national parks as your bill would do is a priority solution to these problems in the National Park System.

It is essential in many parks to get visitors out of their automobiles by providing attractive and effective transit services to and within national parks. A sound practical transit system in many of our national parks will improve the visitor's experience—making it more convenient and enjoyable for families and visitors of all ages. Improved transit is critical to diversifying transportation choices and providing better access for the benefit of all park visitors. Air pollutants from automobiles driven by visitors can exacerbate respiratory health problems, damage vegetation, and contribute to haze which too often obliterates park vistas. To reduce the reliance on automobiles your bill would authorize the funding so our national parks can provide efficient and convenient transit systems which cost money to build and operate.

We commend and thank you for your dedication and leadership on this issue and more generally to the protection of our national parks. Please look to us to help you establish public transit in the national parks.

Sincerely

CHARLES M. CLUSEN,
Senior Policy Analyst.

ENVIRONMENTAL DEFENSE FUND,
New York, NY, February 3, 1999.

Hon. PAUL SARBANES,
U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: I am writing on behalf of the Environmental Defense Fund and our 300,000 members to express support for your bill, the Transit in Parks Act, which will provide dedicated funding for transit projects in our national parks. Too many of our parks suffer from the consequences of poor transportation systems: traffic congestion, air and water pollution, and disturbance of natural ecosystems.

Increased funding for attractive and effective transit services to and within our national parks is essential to mitigating these growing problems. A good working transit system in a number of our national parks will make the park experience not only more enjoyable for the many families that travel there, it will help improve environmental conditions. Having had the chance to experience the excellent transit system in Denali National Park, I know how much of a difference these systems can make.

Air pollutants that exacerbate respiratory health problems, damage vegetation, and contribute to haze which too often obliterates the views at our parks, will be abated by decreasing the number of cars and congestion levels in the parks. Improved transit related to our parks is key to diversifying transportation choices and access for the benefit of all who might visit our national park system.

We appreciate your leadership on this issue and your dedication to the health of our national parks. We look forward to working with you to move your legislation forward.

Yours truly,

FRED KRUPP,
Executive Director.

COMMUNITY TRANSPORTATION ASSOCIATION OF AMERICA
Washington, DC, February 22, 1999.

Hon. PAUL SARBANES,
Committee on Banking and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: It is an honor to once again support your efforts to provide alternative transportation strategies in our national parks and other public lands. Our Association's over thirteen hundred members provide public and community transportation in many of the smaller communities which border these national treasures. We supported your proposal last year because we know as neighbors of these facilities how transportation alternatives will help keep these areas safe in the twenty-first century.

All of us know the danger that congestion and the increase in traffic pose for the future of these sites and locations. Your efforts in the past, and more importantly this year, are an important step forward to establish a dialogue on protecting these areas that help make America's natural beauty a continuous part of the nation's future. This work was urgent last year and it remains urgent today. We support your efforts because our need to begin is obviously overdue. Every day that we fail to protect these areas diminishes their future.

We will work with you any way we can to help make your proposed Transit in Parks legislation a reality. We look forward to helping you move this important work forward.

Sincerely,

DALE J. MARSICO,
Executive Director.

By Mr. KYL (for himself and Mr. BRYAN):

S. 692. A bill to prohibit Internet gambling, and for other purposes; to the Committee on the Judiciary.

INTERNET GAMBLING PROHIBITION ACT

• Mr. KYL. Mr. President, I rise to introduce the Internet Gambling Prohibition Act.

From the beginning of time, societies have sought to prohibit most forms of gambling. There are reasons for this—and they are especially applicable to gambling on the Internet today. Consider the following.

Youth. A recent New York Times article warned that ''Internet sports betting entices youthful gamblers into potentially costly losses.'' In the same

article, Kevin O'Neill, deputy director of the Council on Compulsive Gambling of New Jersey, said that ''Internet sports gambling appeals to college-age people who don't have immediate access to a neighborhood bookie. . . . It's on the Net and kids think it's credible, which is scary.''

Listen to the testimony of Jeff Pash, the Executive Vice President of the National Football League, before the Senate Judiciary Committee: ''Studies . . . indicate that sports betting is a growing problem for high school and college students. . . . As the Internet reaches more and more school children, Internet gambling is certain to promote even more gambling among young people.''

Families. Gambling often has terrible consequences for families and communities. According to the Council on Compulsive Gambling, five percent of all gamblers become addicted. Many of those turn to crime and commit suicide. We all pay for those tragedies.

Harm to Businesses and the Economy. Internet gambling is likely to have a deleterious effect on businesses and the economy. As Ted Koppel noted in a ''Nightline'' feature on Internet gambling, ''[l]ast year, 1,333,000 American consumers filed for bankruptcy, thereby eliminating about $40 billion in personal debt. That's of some relevance to all of us because the $40 billion debt doesn't just disappear. It's redistributed among the rest of us in the form of increased prices on consumer goods. . . .'' He continued: ''If anything promises to increase the level of personal debt in this country, expanding access to gambling should do it.''

Professor John Kindt testified before the House Small Business Committee that a business with 1,000 workers can anticipate increased personnel costs of $500,000 a year due to job absenteeism and declining productivity simply by having various forms of legalized gambling accessible.

Addiction. Internet gambling enhances the addictive nature of gambling because it is so easy to do: you don't have to travel; you can just log on to your computer. Professor Kindt has described electronic gambling, like the type being offered in the ''virtual casinos'' on the Internet, as the ''hardcore cocaine of gambling.''

As Bernie Horn, the Executive Director of the National Coalition Against Legalized Gaming, testified before the House Judiciary Subcommittee on Crime: ''The Internet not only makes highly addictive forms of gambling easily accessible to everyone, it magnifies the potential destructiveness of the addiction. Because of the privacy of an individual and his/her computer terminal, addicts can destroy themselves without anyone ever having the chance to stop them.

Unfair payouts. As Wisconsin Attorney General James Doyle testified before the Senate Judiciary Committee, ''[b]ecause [Internet gambling] is unregulated, consumers don't know who is on the other end of the connection. The odds can be easily manipulated and there is no guarantee that fair payouts will occur.'' ''Anyone who gambles over the Internet is making a sucker bet,'' says William A. Bible, the chair of an Internet gambling subcommittee on the National Gambling Impact Study Commission.

Crime. Further, gambling on the Internet is apt to lead to criminal behavior. Indeed, ''Up to 90 percent of pathological gamblers commit crimes to pay off their wagering debts.'' A University of Illinois study found that for every dollar that states gain from gambling, they pay out three dollars in social and criminal costs.

Cost. According to an article in the March 1999 ABA Journal, ''Online wagering is generating a $600-million-a-year kitty that some analysts say could reach as high as $100 billion a year by 2006.'' I want to repeat that: ''$100 BILLION a year.'' The article continues: ''The number of Web sites offering Internet gambling is growing at a similar rate. In just one year, that number more than quadrupled, going from about 60 in late 1997 to now more than 260 according to some estimates.'' And a recent HBO in-depth report by Jim Lampley noted that virtual sports books will collect more money from the Super Bowl than all the sports books in Las Vegas combined.

This affects all of us.

Not every problem that is national is also necessarily federal. Internet gambling is a national problem AND a federal problem. The Internet is, of course, interstate in nature. States cannot protect their citizens from Internet gambling if anyone can transmit it into their states. That is why the State Attorneys General asked for federal legislation to prohibit Internet gambling. In a letter to the Judiciary Committee members, the Chairs of the Association's Internet Working Group stressed the need for federal involvement: ''[M]ore than any other area of the law, gambling has traditionally been regulated on a state-by-state basis, with little uniformity and minimal federal oversight. The availability of gambling on the Internet, however, threatens to disrupt each state's careful balancing of its own public welfare and fiscal concerns, by making gambling available across state and national boundaries, with little or no regulatory control.''

Further, in reaffirming his support for the bill, the former President of NAAG, Wisconsin Attorney General Jim Doyle, wrote: ''Internet gambling poses a major challenge for state and local law enforcement officials. I strongly support Senator Kyl's Internet Gambling Prohibition Act. Prohibiting this form of unregulated gambling will protect consumers from fraud and preserve state policies on gambling that have been established by our citizens and our legislators.''

In 1961, Congress passed the Wire Act to prohibit using telephone facilities to receive bets or send gambling information. [18 U.S.C. §1084.] In addition to penalties imposed upon gambling businesses that violate the law, the Wire Act gives local and state law enforcement authorities the power to direct telecommunication providers to discontinue service to proprietors of gambling services who use the wires to conduct illegal gambling activity. But, as pointed out in the March 1999 ABA Journal, ''The problem with current federal law is that the communications technology it specifies is dated and limited.'' The advent of the Internet, a communications medium not envisioned by the Wire Act, requires enactment of a new law to address activities in cyberspace not contemplated by the drafters of the older law.

The Internet Gambling Prohibition Act ensures that the law keeps pace with technology. The bill bans gambling on the Internet, just as the Wire Act prohibited gambling over the wires. And it does not limit the subject of gambling to sports. The bill is similar to the one that the Senate, by an overwhelming 90–10 vote, attached to the Commerce-Justice-State Appropriations bill last year. Let me take a moment to explain the bill.

The bill covers sports gambling and casino games. Businesses that offer gambling over the Internet can be fined in an amount equal to the amount that the business received in bets via the Internet or $20,000, whichever is greater, and/or imprisoned for not more than four years. To address concerns raised by the Department of Justice, the bill (like the Wire Act) does not contain penalties for individual bettors. Such betting will, of course, still be the subject of state law.

The bill contains a strong enforcement mechanism. At the request of the United States or a State, a district court may enter a temporary restraining order or an injunction against any person to prevent a violation of the bill, following due notice and based on a finding of substantial probability that there has been a violation of the law. In effect, the illegal website will have its service cut off. I have worked with the Internet service providers to address concerns they raised about how they would cut off service, and, as a result, the provisions dealing with the civil remedies have been revised along the lines of the WIPO legislation.

In sum, the Internet Gambling Prohibition Act brings federal law up to date. With the advent of new, sophisticated technology, the Wire Act is becoming outdated. The Internet Gambling Prohibition Act corrects that problem.

I would like to take a moment to review the consideration of the bill during the last Congress. In July 1997, the Judiciary Subcommittee on Technology held a hearing on S. 474. A wide variety of people testified in support of the legislation: Senator RICHARD BRYAN; Wisconsin Attorney General Jim Doyle, the then-President of the

National Association of Attorneys General; Jeff Pash, Counsel to the National Football League; Ann Geer, Chair of the National Coalition Against Gambling Expansion; and Anthony Cabot, professor at the International Gaming Institute.

Ann Geer stated that ''Internet gambling would multiply addiction exponentially, increasing access and magnifying the potential destructiveness of the addiction. Addicts would literally click their mouse and bet the house.''

As I noted earlier, Wisconsin Attorney General James Doyle testified that ''gambling on the Internet is a very dumb bet. Because it is unregulated . . . odds can be easily manipulated and there is no guarantee that fair payouts will occur. . . . Internet gambling threatens to disrupt the system. It crosses state and national borders with little or no regulatory control. Federal authorities must take the lead in this area.''

Additionally, in June, the Judiciary Committee held a hearing on FBI oversight at which I said to FBI Director Louis Freeh: ''the testimony from other Department of Justice and FBI witnesses has supported our legislation to conform the crime of gambling on the Internet to existing law. And I would just like a reconfirmation of the FBI's support for that legislation.'' Director Freeh replied ''yes, I think it's a very effective change. We certainly support it.''

The Judiciary Subcommittee on Technology passed S. 474 by a unanimous poll and sent the bill to the full Committee for consideration. The Judiciary Committee passed S. 474 by voice vote.

In July 1998, by a 90 to 10 vote, the Internet Gambling Prohibition Act was attached to the Commerce-Justice-State Appropriations bill. In the House, the bill passed Representative MCCOLLUM's Crime Subcommittee unanimously, but due to the lateness of the session, the bill failed to move farther in the House and was not included in the final CJS bill.

The bill has broad bipartisan support in Congress and the strong support of law enforcement. As I just mentioned, FBI Director Freeh has testified that the bill makes a ''very effective change'' to the law and the National Association of Attorneys General sent a letter supporting S. 474 to all Senators.

Further, the President of NAAG, Wisconsin Attorney General Jim Doyle, wrote a letter expressing his support of the bill: ''Internet gambling poses a major challenge for state and local law enforcement officials. I strongly support Senator KYL's Internet Gambling Prohibition Act. Prohibiting this form of unregulated gambling will protect consumers from fraud and preserve state policies on gambling that have been established by our citizens and our legislators.''

Florida Attorney General Bob Butterworth also wrote a letter stressing the support of the states for this bill: ''The adoption of a resolution on this issue by NAAG represents overwhelming support from the states for a bill which, in essence, increases the federal presence in an area of primary state concern. However, it is clear that the federal government has an important role in this issue which crosses state as well as international boundaries.''

In the 105th Congress, S. 474 was strongly supported by professional and amateur sports. The National Football League, the National Collegiate Athletic Association, the National Hockey League, the National Basketball Association, Major League Soccer, and Major League Baseball sent a joint letter of support to all Senators.

I would like to read a passage from this letter:

> Despite exiting federal and state laws prohibiting gambling on professional and college sports, sports gambling over the Internet has become a serious—and growing—national problem. Many Internet gambling operations originate from offshore locations outside the U.S. The number of offshore Internet gambling websites has grown from two in 1996 to over 70 today. It is estimated that Inernet sites will book over $600 million in sports bets in 1998, up from $60 million just two years ago. These websites not only permit offshore gambling operations to solicit and take bets from the United States in defiance of federal and state law but also enable gamblers and would-be gamblers in the U.S. to place illegal sports wagers over the Internet from the privacy of their own home or office.

The letter concludes: ''We strongly urge you to vote in favor of S. 474 when it is considered on the Senate floor.''

On behalf of the NCAA, Bill Saum testified in February before the National Gambling Impact Study Commission on the dangers of Internet gambling:

> Internet gambling provides college students with the opportunity to place wagers on professional and college sporting events from the privacy of his or her campus residence. Internet gambling offers the student virtual anonymity. With nothing more than a credit card, the possibility exists for any student-athlete to place a wager via the Intenet and then attempt to influence the outcome of the contest while participating on the court or the playing field. There is no question the advent of Internet sports gambling poses a direct threat to all sports organizations that, first and foremost, must ensure the integrity of each contest played.

Today, in the Judiciary Subcommittee on Technology, I chaired a hearing on Internet gambling. The testimony in today's hearing confirmed that Internet gambling is addictive, accessible to minors, subject to fraud and other criminal use, and evasive of state gambling laws. State Attorneys General from Wisconsin and Ohio asked for federal legislation to address the mushrooming problem of online gambling, and representatives of the National Football League and the National Collegiate Athletic Association expressed their concerns over the effect of Internet gambling on athletes, fans, and the integrity of sporting contests.

Mr. President, I would like to thank Senator BRYAN for his hard work on this bill. His support and assistance have been invaluable. I would also like to extend a special thanks to the NFL, NCAA, and the National Association of Attorneys General.

The Internet offers fantastic opportunities. Unfortunately, some would exploit those opportunities to commit crimes and take advantage of others. Indeed, as Professor Kindt stated on ''Nightline,'' ''Once you go to Internet gambling, you've maximized the speed you've maximized the acceptability and the accessibility. It's going to be in-your-face gambling, which is going to have severe detrimental effects to society. . . . it's the crack cocaine of creating new pathological gamblers.''

Internet gambling is a serious problem. Society has always prohibited most forms of gambling because it can have a devastating effect on people and families, and it often leads to crime and other corruption. The Internet Gambling Prohibition Act will curb the spread of online gambling.●

ADDITIONAL COSPONSORS

S. 195

At the request of Mrs. BOXER, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 195, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit.

S. 317

At the request of Mr. DORGAN, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 317, a bill to amend the Internal Revenue Code of 1986 to provide an exclusion for gain from the sale of farmland which is similar to the exclusion from gain on the sale of a principal residence.

S. 331

At the request of Mr. JEFFORDS, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 331, a bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

S. 335

At the request of Ms. COLLINS, the names of the Senator from Virginia (Mr. ROBB), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 335, a bill to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to games of chance, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes.

S. 429

At the request of Mr. DURBIN, the name of the Senator from Connecticut