State Senator Diane Watson Schedule of Political Contributions—1994, 1995, 1996, 1997 and 1998—Continued

Date and payee	Amount
Delaine Eastin	1,000
Total	10,954
1995:	
Legislative Black Caucus	500
State of California Moretti Funds	500
Friends of Paul Horcher	1,000
Friends of Lois Hill Hale	1,000
California Now	350
California Democratic Party	129
Democratic National Convention	200
California Democratic Committee	300
Democratic National Committee	100
Lois Hill Hale	1,000
U.N. 50 Committee	125
Mary Landrieu	1,500
Willie Brown for Mayor	500
Barbara Lee for Senate	309
Congressional Black Women LDF	1,000
Barbara Lee for Senate	500
Dezzie Wood	500
California Democratic Victory Fund	300
Total	9,813
1996:	
California Democratic Party	300
California Democratic Party	150

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KERRY (for himself, Mr. BOND, Mr. HARKIN, Mr. BINGAMAN, Mr. LEVIN, Mr. ENZI, Mr. KENNEDY, Mr. DOMENICI, Mr. ABRAHAM, Mr. SARBANES, Mr. AKAKA, Mr. EDWARDS, Mrs. FEINSTEIN, Ms. LANDRIEU, Mrs. BOXER, Mr. CLELAND, Mr. KOHL, Mr. WELLSTONE, Mr. BURNS, and Mr. LEAHY):

S. 791. A bill to amend the Small Business Act with respect to the women's business center program; to the Committee on Small Business.

By Mr. DASCHLE (for Mr. MOYNIHAN (for himself, Mr. GRAHAM, Mr. KENNEDY, Mr. DURBIN, Mr. WELLSTONE, Mrs. FEINSTEIN, and Mr. LEAHY)):

S. 792. A bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes; to the Committee on Finance.

By Mrs. BOXER:

S. 793. A bill to amend the Child Abuse Prevention and Treatment Act to require States receiving funds under section 106 of such Act to have in effect a State law providing for a criminal penalty on an individual who fails to report witnessing another individual engaging in sexual abuse of a child; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN (for herself and Ms. SNOWE):

S. 794. A bill entitled the ''Hospital Length of Stay Act of 1999''; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, Mr. FRIST, Mr. BURNS, and Mr. BREAUX):

S. 795. A bill to amend the Fastener Quality Act to strengthen the protection against the sale of mismarked, misrepresented, and counterfeit fasteners and eliminate unnecessary requirements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI (for himself, Mr. WELLSTONE, Mr. CHAFEE, Mr. SPECTER, Mr. REID, Mr. SARBANES, and Mr. KENNEDY):

S. 796. A bill to provide for full parity with respect to health insurance coverage for certain severe biologically-based mental illnesses and to prohibit limits on the number of mental illness-related hospital days and outpatient visits that are covered for all mental illnesses; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ASHCROFT:

S. 797. A bill to apply the Foreign Corrupt Practices Act of 1977 to the International Olympic Committee; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCAIN (for himself, Mr. BURNS, Mr. WYDEN, Mr. LEAHY, Mr. ABRAHAM, and Mr. KERRY):

S. 798. A bill to promote electronic commerce by encouraging and facilitating the use of encryption in interstate commerce consistent with the protection of national security, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CAMPBELL:

S. 799. A bill to amend the Internal Revenue Code of 1986 to modify the tax brackets, eliminate the marriage penalty, allow individuals a deduction for amounts paid for insurance for medical care, increase contribution limits for individual retirement plans and pensions, and for other purposes; to the Committee on Finance.

By Mr. BURNS (for himself, Mr. MCCAIN, Mr. DORGAN, and Mr. WYDEN):

S. 800. A bill to promote and enhance public safety through the use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SANTORUM:

S. 801. A bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level; to the Committee on Finance.

By Mr. SANTORUM (for himself, Mr. CHAFEE, Mr. GREGG, Mr. FEINGOLD, Mr. DEWINE, Mr. BROWNBACK, Mr. SPECTER, and Ms. COLLINS):

S. 802. A bill to provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MCCAIN (for himself and Mr. WYDEN):

S. 803. A bill to make the International Olympic Committee subject to the Foreign Corrupt Practices Act of 1977, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROCKEFELLER (for himself and Mr. FRIST):

S. 804. A bill to improve the ability of Federal agencies to license Federally-owned inventions; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. BAYH (for himself and Mr. LUGAR):

S. Res. 76. A resolution to commend the Purdue University women's basketball team on winning the 1999 National Collegiate Athletic Association women's basketball championship; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY (for himself, Mr. BOND, Mr. HARKIN, Mr. BINGAMAN, Mr. LEVIN, Mr. ENZI, Mr. KENNEDY, Mr. DOMENICI, Mr. ABRAHAM, Mr. SARBANES, Mr. AKAKA, Mr. EDWARDS, Mrs. FEINSTEIN, Ms. LANDRIEU, Mrs. BOXER, Mr. CLELAND, Mr. KOHL, Mr. WELLSTONE, Mr. BURNS, and Mr. LEAHY):

S. 791. A bill to amend the Small Business Act with respect to the women's business center program; to the Committee on Small Business.

WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

Mr. KERRY. Mr. President, I come to the floor today to introduce the Women's Business Centers Sustainability Act of 1999, and I do so on behalf of myself and Senators BOND, HARKIN, BINGAMAN, LEVIN, ENZI, DOMENICI, ABRAHAM, SARBANES, AKAKA, KENNEDY, EDWARDS, FEINSTEIN, LANDRIEU, BOXER, CLELAND, KOHL, WELLSTONE, BURNS, and LEAHY.

As the title suggests, this bill addresses the funding constraints that are making it increasingly difficult for our women's business centers to sustain the level of services that they currently provide and, in some instances, to literally keep the doors open.

Some colleagues may ask the question, What is the Women's Business Center Program? The Small Business Administration started the Women's Business Center Program which provides 5-year grants matched by non-Federal dollars to private sector organizations so that they can establish business training centers for women. Depending on the needs of the community being served, the centers teach women the basic principles of finance, management, and marketing, as well as specialized topics such as how to get a government contract or how to start a home-based business.

These business centers are located in rural, urban, and suburban areas, and they direct much of their training and counseling assistance towards socially

and economically disadvantaged women.

I might add, Mr. President, of all the changes in the social structure of the United States or in the marketplace in the last years, none has been more profound than the significant numbers of women entering the marketplace. As more and more women enter the marketplace and they assume roles as principal breadwinners or sole breadwinners within some families, it is more and more important that they have the capacity to participate fully in the economy and not be relegated simply to entry-level jobs.

Congress started this program in 1988 in response to hearings that revealed the Federal Government was not meeting the needs of women entrepreneurs and that there were very little other mechanisms for entry-level women entrepreneurs. Women faced particular discrimination in access to credit and capital, and they were shut out of many government contracts and had very little access to the kind of business assistance that they needed to compete in the marketplace. We have really come a long way since that first beginning. There are now 59 centers in 36 States, the District of Columbia, and Puerto Rico.

In addition to increasing self-sufficiency among women, the women's business centers have strengthened women business ownership overall and encouraged local job creation.

The numbers really tell a remarkable story, Mr. President. In 1998, women-owned businesses made up more than one-third of the 23 million small businesses in the United States. They have accounted for some $3 trillion in annual revenues to the economy, and they employed one out of every four workers in the United States.

Still, according to the data from the 1998 Women's Economic Summit, women-owned businesses account for only 18 percent of all small business gross receipts, and they are dramatically underrepresented in the Nation's two most lucrative markets—corporate buying and government contracting.

This really underscores significantly the problem that I talked about a moment ago of entry-level jobs and of the nature of the small, entrepreneurial, home-grown, cottage-industry-type businesses that women begin with, which often could be grown significantly into larger businesses but for the lack of credit, the lack of available marketing skills, and the lack of management skills. Clearly, the need for women's business centers continues, and this is no time for us to diminish or to dismantle the infrastructure that the federal government has invested in for the past decade.

Addressing the special needs of women-owned businesses serves not just the entrepreneurs, but it serves the overall strength of communities, as well as the economy of the whole of our country. Women's business centers help increase the growth, not just of women's businesses, but also of the large network of support businesses that are linked and affiliated with them, as well as, obviously, the general economy and the local community associated with those businesses.

There are many extraordinarily run centers around the country. Let me highlight two of them—one in New Mexico and one in Massachusetts. I know my colleagues, Senators BINGAMAN and DOMENICI, are particularly proud of the one in their home State. I am very proud of one in Massachusetts which has been a model women's business center. It is the Center of Women & Enterprise in Boston. Since 1995, that center has served more than 2,000 women from more than 100 cities and towns in eastern Massachusetts. Of the women it serves every year, 60 percent are low-income, 70 percent are single, and 32 percent are women of color.

Andrea Silbert is the tireless executive director of that center. She has effectively raised money, forged partnerships, and designed thorough training and mentoring programs to help women entrepreneurs.

When the Boston women's business center trains an entrepreneur, that entrepreneur then knows how to approach a lender for a loan, knows how to manage her business, and understands the ins and outs and hows and whys of marketing.

But notwithstanding the success of these several women's business centers, the fact is that a number of them around the country are facing increased difficulty in raising the required matching funds.

There are some people who think the centers should charge higher fees. And they might think so, until you examine the makeup of the people who are being reached by the centers. We were privileged to have a person by the name of Agnes Noonan, who has spent the last 8 years as the executive director of WESST Corporation, the women's business center in Albuquerque, NM, testify before us in the Small Business Committee. As she testified in March, during her first couple of years running the center, her view was that there was a very simple way to deal with the problem of raising money, and that was to do a better job of marketing the center's services to women who could afford to pay higher fees. That would increase the center's income, and it would reduce its reliance on public dollars.

But the problem is that the minute you do that, you start redirecting the energy and focus of the center away from the people who most benefit from it. And that is precisely what she told us as a practitioner. She said:

> Though [such a] strategy may have made economic sense, it conflicted directly with our mission of serving low-income women. . . . If we were to target our services to women who could afford to pay market consulting and training rates, then we would clearly not be addressing the needs of low-income women in New Mexico.

She also gave us important information about the realities of fundraising:

> Nationally, only six percent of foundation money is earmarked for women, and only a tiny portion of that goes to women's economic development.

So as she said to us, the executive directors of women's business centers are very experienced fundraisers. Lori Smith of the WBC in Oklahoma City said before the House Small Business Committee that she thought she could sell sand in the desert. She viewed herself as good a fundraiser and as good a salesperson as there is, but she also said that competition for foundation- and private-sector dollars has become so intense and those dollars so much scarcer with each year that Government funding has diminished. And they do not have anywhere to turn.

In addition to that, bank mergers are occurring, as we know, at an increased rate around the country. And those mergers are further exacerbating the situation because the banks have been a primary source of funds for many of these centers.

Take the example of the recently announced bank merger in Boston of Fleet Bank and BankBoston. Those banks separately have been very generous to the women's business center in Boston. Their combined contribution came to $150,000. But we have serious concerns that their full support continue, and not reduce as we have seen in other States, where the merged institutions rarely give the same amount of money as the two or three, or whatever number, that the prior institutions contributed. So we have seen a drying up of some of the funding sources, I might add, not just for the women's business centers but for a host of charitable institutions that rely on those contributions.

So for many of the centers, they now have the added specter of losing their annual base of money. We need to guarantee that we do not add to that ominous cloud by having the base that came from the SBA also disappear at the same time when they come to the end of the original 5-year grant cycle. That money is their basic bread and butter, it is their ability to stay alive, as well as the indispensable ingredient of leveraging for additional fundraising dollars.

I believe, and the colleagues who have joined me in introducing this legislation believe, that it is essential for us to find a fair way to let the women's business centers recompete for their base funding. That is competition; it is not entitlement.

So here is how the legislation we introduce gets us there.

First, it allows the women's business centers which have completed a funding term to compete for another 5 years of Federal funding, which, under current policy, would be up to $150,000 per year. The recompetition standards would be higher than those needed for centers applying for funds for their initial 5-year funding term. This recognizes that more experienced centers ought to be able to perform well from

the beginning of their second term funding; they have been through the learning curve. And I believe this additional Federal funding is necessary to counteract the adverse impact of bank and corporate mergers I mentioned previously.

Second, my bill will raise the authorization of appropriations for fiscal year 2000 and fiscal year 2001 for women's business center funding from $11 million to $12 million per year. It will also reserve 40 percent of those appropriations for recompetition grants.

I believe that increasing the authorization to $12 million is entirely consistent with the legislation which our committee passed last year, and it would ensure that there would be adequate funding to preserve effective, established centers and to help fund new centers in States that do not have one.

Mr. President, I thank those colleagues who have joined me in this effort. I hope additional colleagues will join in support of this legislation and we can rapidly pass it. It should not be contentious. We are not talking about vast sums of money, but we are talking about an extraordinary amount of leverage for a very small investment.

I think that in most States in this country my colleagues will agree with me that opening the doors of opportunity to full business ownership and participation, particularly to those who have been disadvantaged for various reasons, is of enormous importance to the longer term economic well-being of our country. And when I say ''well-being,'' I am not just talking about the bottom line in terms of the return on investment to those businesses, I am talking, obviously, about the enormous importance of strengthening families, strengthening communities, and eliminating the vestiges of discrimination that remain against women in terms of their full economic participation in the Nation.

I ask unanimous consent that the full text of the Women's Business Centers Sustainability Act be printed in the RECORD.

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

S. 791

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 ''Women's Business Centers Sustainability Act of 1999''.

SEC. 2. WOMEN'S BUSINESS CENTER PROGRAM.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

''(*l*) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraph (2), a private organization that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement, and that is in the final year of a 5-year project or that has completed a project financed under this section (or any predecessor to this section), may apply for financial assistance for an additional 5-year project under this section.

''(2) CONDITIONS FOR PARTICIPATION.—Notwithstanding any other provision of this section, as a condition of receiving financial assistance authorized by this subsection, an organization described in paragraph (1)—

''(A) shall meet such requirements as the Administration shall establish to promote the viability and success of the program under this section, in addition to the requirements set forth in this section; and

''(B) shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources for each year of additional program participation in an amount equal to 1 non-Federal dollar for each Federal dollar.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated $12,000,000 for each of fiscal years 2000 and 2001 to carry out the projects authorized under this section, of which, in each fiscal year, not more than 40 percent may be used to carry out projects funded under subsection (*l*).''.

Mr. LEVIN. Mr. President, I am pleased to be an original cosponsor of the Women's Business Centers Sustainability Act of 1999. This legislation will strengthen SBA's women's business centers in Michigan and across the Nation which help entrepreneurs start and maintain successful businesses by providing such things as start-up help and financial expertise to women-owned businesses. This legislation will allow those women's business centers that are already successfully participating in the program to recompete for Federal funding after their initial funding term expires.

Under this legislation, the recompetition standards would be set higher than those used for centers applying for their initial five-year funding term. The ability of established and successful women's business development centers to continue to compete for Federal funding means that critical resources will continue to be made available for women-owned businesses for such purposes as training and obtaining business financing.

Women-owned businesses are the fastest growing sector of small businesses in America and provide innumerable jobs and resources to the state of Michigan. Michigan has two women's business centers, the Center for Empowerment and Economic Development (CEED) in Ann Arbor and the Grand Rapids Opportunities for Women (GROW) in Grand Rapids. We also have Project Invest in Traverse City which is a women's business center affiliate. In addition, a Center is currently being set up in Detroit.

These Michigan programs offer women a comprehensive package of business education and training, start-up financing, technical assistance, peer group support and access to community and government supportive resources such as child care. Michigan's women's business centers are supportive of this legislation and believe it is necessary in order for them to continue to be able to offer the current levels of services and support to Michigan's women-owned businesses.

I am pleased that Congress has recognized the importance of funding the women's business center program. In 1997, Congress enacted legislation to make the 1991 pilot project a permanent part of the Small Business Administration programs available to help entrepreneurs start and maintain successful business. It also doubled the annual funding of the women's business centers and extended the funding period from 3 to 5 years. And just this year, Congress enacted legislation to change the non-Federal and Federal funding ratio requirements and it again increased the annual authorization level from $8 million to $11 million.

The legislation being introduced today by my colleague from Massachusetts, Mr. KERRY, in addition to allowing existing women's business centers to compete for additional Federal funding, will also increase the authorized appropriations for fiscal year 2000 and fiscal year 2001 from $11 million to $12 million for this program.

Mr. KENNEDY. I strongly support the Women's Business Centers Sustainability Act of 1999. Its goal is to provide disadvantaged women with the opportunity to obtain the training and counseling necessary to become successful small business owners.

Today, the Nation's entrepreneurial spirit is thriving. Small business has become the engine that drives the economy. America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy. The increase in the number of small businesses owned by women has significantly contributed to the overall success of small business.

Between 1987 and 1996, the number of women-owned firms has grown by78 percent. Employment in women-owned firms more than doubled from 1987 to 1992, compared to an increase of 38 percent in employment by all firms. For women-owned companies with 100 or more workers, employment has increased by 158 percent—more than twice the rate for all U.S. firms of similar size. Women entrepreneurs are taking their firms into the global marketplace at the same rate as all U.S. business owners.

Today, women are starting new firms at twice the rate of all other business and own nearly 40 percent of all firms in the United States. These 8 million firms employ 18.5 million people—one in every five U.S. workers—and contribute $2.3 trillion to the economy. The Small Business Administration has created programs, such as the women's business centers, which have been very effective in promoting woman business ownership. We must ensure that these programs continue to receive strong support in Congress.

The Women's Business Centers Sustainability Act of 1999 will provide the

funds necessary to continue this successful program. It will allow women's business centers that have completed five year funding to apply for additional funding, and it will also increase the authorization for FY 2000 and FY 2001 from $11 million to $12 million a year. Our goal is to help sustain existing centers, while continuing to create new centers.

I urge all of my colleagues to support this important legislation, and I look forward to its early enactment.

Mr. ABRAHAM. Mr. President, I rise for the second year in a row as an original co-sponsor of legislation increasing the authorization for the Small Business Administration women's business center program. These centers provide important management, marketing, and financial advice to women-owned small businesses.

Mr. President, this program finances a number of very important initiatives at the state and local levels; measures that have proven crucial to women struggling to enter the job world and to start their own businesses. These initiatives have changed the lives of a significant number of women in Michigan and throughout the United States.

For example, two women's business centers in Michigan are leading the way toward preparing and advancing women in the business field. Ann Arbor's Women's Initiative for Self-Employment, or WISE, program provides low-income women with the tools and resources they need to begin and expand businesses. The WISE program also provides a comprehensive package of business training, personal development workshops, credit counseling, start-up and expansion financing, business counseling and mentoring. In addition, Grand Rapids' Opportunities for Women, or GROW, provides career counseling and training for women in western Michigan. GROW provides essential job preparedness with basic business training and assistance in obtaining more specialized instruction.

Mr. President, I salute the good people at WISE and GROW for their hard work in helping the women of Michigan. These programs create and expand business opportunities, fight against poverty, increase incomes, stabilize families, develop skills, and spark community renewal. If we are to maintain and increase revitalization of troubled areas and the empowerment of women we must continue to provide targeted funding for these types of assistance programs.

For these reasons, I support the Women's Business Centers Sustainability Act of 1999. Because the Small Business Administration's women's business centers program makes it possible for women to build productive lives for themselves and their families, I believe it deserves the increased funding it needs to expand its services. I urge my colleagues to support this important bill.

By Mr. DASCHLE (for Mr. MOYNIHAN (for himself, Mr. GRAHAM, Mr. KENNEDY, Mr. DURBIN, Mr. WELLSTONE, Mrs. FEINSTEIN, and Mr. LEAHY)):

S. 792. A bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

THE FAIRNESS FOR LEGAL IMMIGRANTS ACT OF 1999

Mr. MOYNIHAN. Mr. President, today, I am introducing the Fairness for Legal Immigrants Act of 1999, a bill to restore to legal immigrants eligibility for a number of safety net benefits denied to them by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. I am glad to be joined by my colleagues Senators GRAHAM, KENNEDY, DURBIN, FEINSTEIN, WELLSTONE, and LEAHY.

The provisions of the 1996 law concerning legal immigrants were based on the false premise that such immigrants are a burden to us all. On the contrary. A recent comprehensive study by the National Academy of Sciences concluded that immigration actually benefits the U.S. economy. In fact, the study found that the average legal immigrant contributes $1,800 more in taxes than he or she receives in government benefits.

Many Americans may not realize this, but legal immigrants pay income and payroll taxes. And without continued legal immigration, the long-term financial condition of Social Security and Medicare would be worsened. It is in our interest to see that these immigrant families have healthy children, enough to eat, and support if they become disabled. And it is not merely wise, it is just. These immigrants have come here under the rules we have established and they have abided by those rules. If harm should befall them, it is right to extend a hand.

The Fairness for Legal Immigrants Act contains several provisions. First, it would permit states to provide Medicaid coverage to poor legal immigrant pregnant women and children, as well as coverage under the new Child Health insurance program (CHIP) for legal immigrant children, whenever they arrive in the United States. Under current law, states are not allowed to extend such health care coverage—which is so important for the development of healthy children—to families who have come to the U.S. after August 22, 1996, until the families have been here for five years. Five years is a very long time in the life of a child. It is common knowledge, emphasized by recent research, that access to health care is essential for early childhood development. We should, at a minimum, permit states to extend coverage to all poor legal immigrant children, no matter when they have arrived here. This builds upon our recent achievements in promoting health care for children—legal immigrant children should not be neglected in these efforts.

The bill also permits states to restore Medicaid coverage to certain legal immigrants in nursing homes. These individuals would be eligible for states' ''medically needy'' Medicaid coverage if they were citizens, having ''spent down'' their income and assets in nursing homes to the point of destitution. Several states continue to pay nursing homes for these frail seniors without federal support. We should do our share to care for them.

Next, the bill restores Supplemental Security Income (SSI) eligibility for legal immigrants who have come to the U.S. after August 22, 1996, and have since then, unfortunately, become disabled. While it would be preferable to restore full SSI eligibility for these legal immigrants, at this time we propose only that the disabled be again eligible for SSI, because they are the population most in need. A modicum of a safety net. We have made great strides in assisting the disabled in this country in recent years. We should not then, deliberately, refuse aid to individuals who have come to our nation lawfully and then suffered a disability. The bill also completes the process, begun in the Balanced Budget Act of 1997, of restoring SSI eligibility to elderly pre-1996 legal immigrants.

Fourth, since the 1996 welfare law was enacted we have been successful in restoring a limited amount of food stamp eligibility for the most vulnerable legal immigrants—children, the disabled, the elderly. A Physicians for Human Rights survey in 1998 found that almost 80 percent of immigrant households suffered from limited or uncertain availability of nutritious foods, and that immigrant households reported ''severe hunger'' at a rate more than 10 times that of the general population. While this survey was conducted before the limited restoration of food stamp eligibility in 1998, it suggests the magnitude of the hunger problem among legal immigrants. We need to do more, and this bill restores food stamp eligibility to all legal immigrants who were in the U.S. prior to the 1996 enactment of the welfare law.

Finally, there is another vulnerable immigrant population for which we need to do more: victims of domestic violence. The 1996 welfare law put severe limits on the assistance which can be provided to non-citizens suffering from domestic abuse, particularly if they came to the U.S. after August 22, 1996. This legislation will expand the circumstances under which immigrant victims of domestic violence are eligible for Medicaid and TANF assistance, and restores eligibility for food stamps and SSI. These programs provide essential resources to break the economic dependence on a violent relationship. It also ensures that elderly legal immigrants who are abused by their children can obtain access to these benefits as well.

Mr. President, simple decency requires us to continue to provide a

measure of a safety net to legal immigrant families. I urge the enactment of this legislation to ensure that we do so.

I ask unanimous consent that the full text of the legislation and a summary of it be included in the RECORD.

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

S. 792

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 ''Fairness for Legal Immigrants Act of 1999''.

SEC. 2. OPTIONAL ELIGIBILITY OF CERTAIN ALIEN PREGNANT WOMEN AND CHILDREN FOR MEDICAID.

(a) IN GENERAL.—Subtitle A of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611-1614) is amended by adding at the end the following:

''SEC. 405. OPTIONAL ELIGIBILITY OF CERTAIN ALIENS FOR MEDICAID.

''(a) OPTIONAL MEDICAID ELIGIBILITY FOR CERTAIN ALIENS.—A State may elect to waive (through an amendment to its State plan under title XIX of the Social Security Act) the application of sections 401(a), 402(b), 403, and 421 with respect to eligibility for medical assistance under the program defined in section 402(b)(3)(C) (relating to the medicaid program) of aliens who are lawfully residing in the United States (including battered aliens described in section 431(c)), within any or all (or any combination) of the following categories of individuals:

''(1) PREGNANT WOMEN.—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

''(2) CHILDREN.—Children (as defined under such plan), including optional targeted low-income children described in section 1905(u)(2)(B).''.

(b) APPLICABILITY OF AFFIDAVITS OF SUPPORT.—Section 213A(a) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)) is amended by adding at the end the following:

''(4) INAPPLICABILITY TO BENEFITS PROVIDED UNDER A STATE WAIVER.—For purposes of this section, the term 'means-tested public benefits' does not include benefits provided pursuant to a State election and waiver described in section 405 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 401(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(a)) is amended by inserting ''and section 405'' after ''subsection (b)''.

(2) Section 402(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(1)) is amended by inserting '', section 405,'' after ''403''.

(3) Section 403(a) of such Act (8 U.S.C. 1613(a)) is amended by inserting ''section 405 and'' after ''provided in''.

(4) Section 421(a) of such Act (8 U.S.C. 1631(a)) is amended by inserting ''except as provided in section 405,'' after ''Notwithstanding any other provision of law,''.

(5) Section 1903(v)(1) of the Social Security Act (42 U.S.C. 1396b(v)(1)) is amended by inserting ''and except as permitted under a waiver described in section 405(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996,'' after ''paragraph (2),''.

(d) RETROACTIVITY OF EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611 et seq.), except that the amendment made by subsection (b) shall apply as if included in the enactment of section 551(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208).

SEC. 3. OPTIONAL ELIGIBILITY OF IMMIGRANT CHILDREN FOR SCHIP.

(a) IN GENERAL.—Section 405 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as added by section 2(a), is amended—

(1) in the heading, by inserting ''**AND SCHIP**'' before the period; and

(2) by adding at the end the following new subsection:

''(b) OPTIONAL SCHIP ELIGIBILITY FOR CERTAIN ALIENS.—

''(1) IN GENERAL.—Subject to paragraph (2), a State may also elect to waive the application of sections 401(a), 402(b), 403, and 421 with respect to eligibility of children for child health assistance under the State child health plan of the State under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.), but only with respect to children who are lawfully residing in the United States (including children who are battered aliens described in section 431(c)).

''(2) REQUIREMENT FOR ELECTION.—A waiver under this subsection may only be in effect for a period in which the State has in effect an election under subsection (a) with respect to the category of individuals described in subsection (a)(2) (relating to children).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to child health assistance for coverage provided for periods beginning on or after October 1, 1997.

SEC. 4. OPTIONAL ELIGIBILITY OF CERTAIN MEDICALLY NEEDY ALIENS FOR MEDICAID.

(a) OPTIONAL ELIGIBILITY OF CERTAIN ALIENS WHO ARE BLIND OR DISABLED MEDICALLY NEEDY ADMITTED AFTER AUGUST 22, 1996.—

(1) IN GENERAL.—Section 405(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as added by section 2(a), is amended by adding at the end the following:

''(3) CERTAIN BLIND OR DISABLED MEDICALLY NEEDY.—Individuals who are considered blind or disabled under section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a))) and who, but for sections 401(a), 402(b) and 403 (except as waived under this subsection), would be eligible for medical assistance under clause (ii)(IV) of section 1902(a)(10)(A) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)), or would be eligible for such assistance under any other clause of that section of that Act because the individual, if enrolled in the program under title XVI of the Social Security Act, would receive supplemental security income benefits or a State supplementary payment under that title.''.

(2) RETROACTIVITY OF EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611 et seq.).

(b) OPTIONAL ELIGIBILITY OF MEDICALLY NEEDY ALIENS REQUIRING A CERTAIN LEVEL OF CARE.—

(1) IN GENERAL.—Section 405 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as added by section 2(a) and as amended by section 3(a) and subsection (a), is further amended by adding at the end the following new subsection:

''(c) OPTIONAL ELIGIBILITY FOR MEDICALLY NEEDY ALIENS REQUIRING A CERTAIN LEVEL OF CARE.—A State may also elect to waive the application of sections 401(a), 402(b), and 421 with respect to eligibility for medical assistance under the program defined in section 402(b)(3)(C) (relating to the medicaid program) of aliens who—

''(1) were lawfully residing in the United States on August 22, 1996; and

''(2) are residents of a nursing facility (as defined in section 1919(a) of the Social Security Act (42 U.S.C. 1396r(a)), or require the level of care provided in a such a facility or in an intermediate care facility, the cost of which could be reimbursed under the State plan under title XIX of that Act.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611 et seq.).

SEC. 5. ELIGIBILITY OF CERTAIN ALIENS FOR SSI.

(a) AGED ALIENS LAWFULLY RESIDING IN THE UNITED STATES ON AUGUST 22, 1996.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

''(L) SSI EXCEPTION FOR AGED ALIENS LAWFULLY RESIDING IN THE UNITED STATES ON AUGUST 22, 1996.—With respect to eligibility for the program defined in paragraph (3)(A), paragraph (1) shall not apply to any individual who was lawfully residing in the United States on August 22, 1996, and has attained age 65.''.

(b) BLIND OR DISABLED QUALIFIED ALIENS WHO ENTERED THE UNITED STATES AFTER AUGUST 22, 1996.—

(1) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)), as amended by subsection (a), is amended by adding at the end the following:

''(M) SSI EXCEPTION FOR BLIND OR DISABLED QUALIFIED ALIENS WHO ENTERED THE UNITED STATES AFTER AUGUST 22, 1996.—With respect to eligibility for the program defined in paragraph (3)(A), paragraph (1) and section 421 shall not apply to any individual who entered the United States on or after August 22, 1996 with a status within the meaning of the term 'qualified alien', and became blind or disabled (within the meaning of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a))) after the date of such entry.''.

(2) EXCEPTION FROM 5-YEAR BAN.—Section 403(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(b)) is amended by adding at the end the following:

''(3) CERTAIN BLIND OR DISABLED ALIENS.—An alien described in section 402(a)(2)(M), but only with respect to the programs specified in subsections (a)(3)(A) and (b)(3)(C) of section 402 (and, with respect to such programs, section 421 shall not apply to such an alien).''.

(3) CONFORMING AMENDMENT.—Section 421(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(a)), as amended by section 2(c)(4), is amended by inserting '', section 402(a)(2)(M), and section 403(b)(3)'' after section ''405''.

(4) ENFORCEMENT OF AFFIDAVITS OF SUPPORT.—For provisions relating to the enforcement of affidavits of support in cases of individuals made eligible for benefits under the amendment made by paragraph (1), see section 213A of the Immigration and Nationality Act (8 U.S.C. 1183a).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) are effective with respect to benefits payable for months after the month in which this Act is enacted, but only on the basis of applications filed on or after the date of enactment of this Act.

SEC. 6. ELIGIBILITY OF LEGAL IMMIGRANTS FOR FOOD STAMPS.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)), as amended by section 5(b)(1), is amended by adding at the end the following:

''(N) FOOD STAMP EXCEPTION FOR ALIENS LAWFULLY RESIDING IN THE UNITED STATES ON AUGUST 22, 1996.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to an individual who was lawfully residing in the United States on August 22, 1996.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to benefits under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)) for months beginning at least 30 days after the date of enactment of this Act.

SEC. 7. ELIGIBILITY OF LEGAL IMMIGRANTS SUFFERING FROM DOMESTIC ABUSE.

(a) EXEMPTION FROM SSI AND FOOD STAMPS BAN.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)), as amended by section 6(a), is amended by adding at the end the following:

''(O) BATTERED IMMIGRANTS.—With respect to eligibility for benefits for a specified Federal program (as defined in paragraph (3)), paragraph (1) shall not apply to any individual described in section 431(c).''.

(b) EXEMPTION FROM 5-YEAR BAN.—Section 403(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(b)), as amended by section 5(b)(2), is amended by adding at the end the following:

''(4) BATTERED IMMIGRANTS.—An alien described in section 431(c).''.

(c) EXPANSION OF DEFINITION OF BATTERED IMMIGRANTS.—

(1) IN GENERAL.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended—

(A) in paragraphs (1)(A), (2)(A), and (3)(A) by inserting '' or the benefits to be provided would alleviate the harm from such battery or cruelty or would enable the alien to avoid such battery or cruelty in the future'' before the semicolon; and

(B) in the matter following paragraph (3), by inserting '' and for determining whether the benefits to be provided under a specific Federal, State, or local program would alleviate the harm from such battery or extreme cruelty or would enable the alien to avoid such battery or extreme cruelty in the future'' before the period.

(2) CONFORMING AMENDMENT REGARDING SPONSOR DEEMING.—Section 421(f)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(f)(1)) is amended—

(A) in subparagraph (A), by inserting ''or would alleviate the harm from such battery or cruelty, or would enable the alien to avoid such battery or cruelty in the future'' before the semicolon; and

(B) in subparagraph (B), by inserting ''or would alleviate the harm from such battery or cruelty, or would enable the alien to avoid such battery or cruelty in the future'' before the period.

(d) CONFORMING DEFINITION OF ''FAMILY'' USED IN LAWS GRANTING FEDERAL PUBLIC BENEFIT ACCESS FOR BATTERED IMMIGRANTS TO STATE FAMILY LAW.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended—

(1) in paragraph (1)(A), by striking ''by a spouse or a parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented to, or acquiesced in, such battery or cruelty,'' and inserting ''by a spouse, parent, son, or daughter, or by any individual having a relationship with the alien covered by the civil or criminal domestic violence statutes of the State or Indian country where the alien resides, or the State or Indian country in which the alien, the alien's child, or the alien child's parents received a protection order, or by any individual against whom the alien could obtain a protection order,''; and

(2) in paragraph (2)(A), by striking ''by a spouse or parent of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty,'' and inserting ''by a spouse, parent, son, or daughter of the alien (without the active participation of alien in the battery or cruelty) or by any individual having a relationship with the alien covered by the civil or criminal domestic violence statutes of the State or Indian county where the alien resides, or the State or Indian country in which the alien, the alien's child, or the alien child's parent received a protection order, or by any individual against whom the alien could obtain a protection order,''.

(e) EFFECTIVE DATE.—The amendments made by this section apply to Federal means-tested public benefits provided on or after the date of enactment of this Act.

FAIRNESS FOR LEGAL IMMIGRANTS ACT OF 1999

I. HEALTH COVERAGE

Medicaid

Permits states to cover all eligible legal immigrant pregnant women and children, including those who have arrived in the U.S. after August 22, 1996. (Currently, states must wait five years before extending such coverage to legal immigrants coming to the U.S. since August 22, 1996.)

Permits states to extend coverage to certain ''medically needy'' disabled legal immigrants not receiving SSI.

Children's Health Insurance Program (CHIP)

Permits states to cover legal immigrant children under CHIP. States can cover CHIP children under either the expanded Medicaid option or separate CHIP program. However, to choose this CHIP option states must have first taken up the option to cover poor legal immigrant children under the regular (non-CHIP) Medicaid program. Under current law, legal immigrant children are ineligible for CHIP.

II. SSI

For pre-August 1996 legal immigrants, restores SSI eligibility for those who are elderly and poor but not disabled by SSI standards. This returns pre-August 1996 elderly legal immigrants to the same SSI eligibility status as citizens.

For post-August 1996 legal immigrants, restores SSI eligibility for those who become disabled after entering the country. Currently, such recent immigrants are ineligible for SSI.

III. FOOD STAMPS

Restores eligibility for all pre-August 1996 legal immigrants.

IV. OTHER PROVISIONS

For post-August 1996 legal immigrants suffering from domestic abuse, expands the exemption from the five-year ban on receiving Medicaid and TANF. It also restores their eligibility for SSI and food stamps. Victims of elder abuse are also covered.

Mr. GRAHAM. Mr. President, I rise today, along with Senators MOYNIHAN, KENNEDY, DURBIN, FEINSTEIN, WELLSTONE, and LEAHY to introduce the Fairness to Legal Immigrants Act of 1999. I commend my colleagues in the Senate and the House of Representatives, who are also introducing this legislation today, for their efforts to restore benefits to legal immigrants.

This legislation includes several provisions which restore important health, disability and nutrition benefits to additional categories of legal immigrants. These benefits would improve the lives of many of our most vulnerable, such as pregnant women and children, the elderly and the disabled.

One of the provisions in this proposal would grant states the option to provide health care coverage to legal immigrant children through Medicaid and the State Children's Health Insurance Program (SCHIP)—in essence eliminating the arbitrary designation of August 22, 1996, as the cutoff date for benefits eligibility to children. The welfare reform legislation passed in 1996 prohibits states from covering these immigrant children during their first five years in the United States. This has serious consequences.

Children without health insurance do not get important care for preventable diseases. Many uninsured children are hospitalized for acute asthma attacks that could have been prevented, or suffer from permanent hearing loss from untreated ear infections. Without adequate health care, common illnesses can turn into life-long crippling diseases, whereas appropriate treatment and care can help children with diseases like diabetes live relatively normal lives. A lack of adequate medical care will also hinder the social and educational development of children, as children who are sick and left untreated are less ready to learn.

In addition to allowing extended coverage of legal immigrant children, this initiative aims to provide Medicaid to pregnant women and disabled immigrants regardless of whether they participate in Social Security's Supplemental Security Income program. States would also become eligible for reimbursement of costs associated with providing institutional care for some elderly and disabled immigrants.

Another important issue addressed by this legislation is the exemption allowing legal immigrants who are victims of domestic abuse to receive assistance. At present, victims of domestic violence are restricted from receiving benefits during their first five years in the United States. These individuals are most vulnerable and should not be subjected to staying in a bad situation due to lack of resources.

In this legislation we attempt to diminish the arbitrary cutoff date used in the 1996 welfare law to determine the eligibility of legal immigrants to benefits they desperately need. Our nation was built by people who came to our shores seeking opportunity and a better life, and America has greatly

benefitted from the talent, resourcefulness, determination, and work ethic of many generations of legal immigrants. Time and time again, they have restored our faith in the American Dream. We should not discriminate between these important members of our community based on nothing more than an arbitrary date.

I hope that with the help of my colleagues in Congress we will be able to rectify the discrimination suffered by individuals who have legally entered our country, who pay taxes, who serve in the military, and who add to the fabric of this nation. As our nation enters what promises to be a dynamic century, the United States needs a prudent, fair immigration policy to ensure that avenues of refuge and opportunity remain open for those seeking freedom, justice, and a better life.

Mr. LEAHY. Mr. President, I am proud to join Senator MOYNIHAN as an original cosponsor of the Fairness for Legal Immigrants Act of 1999. This bill takes the next, important step toward restoring benefits to legal immigrants.

Legal immigrants are people in our communities who are in this country legally. They pay taxes and they contribute to our economy and society. Many of our parents, or grandparents, were legal immigrants themselves. The 1996 welfare reform law forced this group to lose their eligibility for various programs, including food stamps, Medicaid and SSI. More than 900,000 legal immigrants—including hundreds of thousands of children and elderly individuals—were cut from the Food Stamp Program alone, with nothing to abate their hunger.

In the years since the passage of the welfare reform act, Congress has correctly realized that many of the cuts went too far, and slowly benefits are being restored. For instance, the 1997 Balanced Budget Act restored SSI and Medicaid benefits to a narrow class of immigrants, refugees and asylees.

Last Congress, I worked hard to include $818 million in the Agricultural Research, Extension, and Education Reauthorization Act to restore food stamp benefits for thousands of legal immigrants. This legislation restored food stamps to legal immigrants who are disabled or elderly, or who later become disabled, and who resided in the United States prior to August 22, 1996. That law also increased food stamp eligibility time limits—from 5 years to 7 years—for refugees and asylees who came to this country to avoid persecution. Hmong refugees who aided U.S. military efforts in Southeast Asia were also covered, as were children residing in the United States prior to August 22, 1996.

Though the Agriculture Research Act restored food stamp eligibility to children of legal immigrants, many of these children are not receiving food stamps and are experiencing alarming instances of hunger. In its recent report entitled ''Who is Leaving the Food Stamp Program? An Analysis of Caseload Changes from 1994 to 1997,'' the U.S. Department of Agriculture reported that participation among children living with parents who are legal immigrants fell significantly faster than children living with native-born parents. It appears that restrictions on adult legal immigrants deterred the participation of their children. That is a disturbing development that must be rectified, and the legislation we are introducing today would go a long way toward making the situation right by restoring food stamp eligibility to all legal immigrants.

The Fairness for Legal Immigrants Act of 1999 would also address the medical needs of legal immigrants. This bill will permit states to offer Medicaid coverage to all eligible legal immigrant pregnant women and children, as well as certain ''medically needy'' disabled legal immigrants. This legislation would also restore SSI eligibility to elderly and poor legal immigrants who were in this country prior to passage of the welfare reform law.

Under current law, legal immigrants who suffer from domestic or elder abuse must wait 5 years to receive Medicaid, TANF, SSI and food stamp benefits if they entered the United States after August 1996. The Fairness for Legal Immigrants Act of 1999 would amend this law so that these victims would not have to wait to receive assistance.

I am proud to cosponsor the Fairness for Legal Immigrants Act of 1999. It is a needed bill that will help fill some of the continuing gaps left by the welfare reform law. I look forward to working with Senator MOYNIHAN and all members of the Senate to restore Medicaid, SSI, and food stamp benefits to legal immigrants in need.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, Mr. FRIST, Mr. BURNS, and Mr. BREAUX):

S. 795. A bill to amend the Fastener Quality Act to strengthen the protection against the sale of mismarked, misrepresented, and counterfeit fasteners and eliminate unnecessary requirements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE FASTENER QUALITY ACT AMENDMENTS ACT OF 1999

Mr. MCCAIN. Mr. President, I rise to introduce the Fastener Quality Act Amendments Act of 1999. This bill represents major revisions to the original Fastener Quality Act as passed in 1990.

Every year billions of special high-strength bolts, screws, and other fasteners are sold in the United States which carry grade identification markings. The markings indicate that the fasteners conform to specifications set by consensus standards organizations. These grade-marked fasteners are used in critical applications like aircraft, automobiles, and highway bridges where failure of a fastener could jeopardize public safety.

In 1998, the Congress passed legislation (P.L. 105–234) delaying implementation of the Fastener Quality Act to allow the Secretary of Commerce to conduct a review of changes in fastener manufacturing processes and the existence of other regulatory programs covering fasteners. The review was submitted to the Congress on February 24, 1999, in coordination with several other Federal agencies which have public safety responsibilities including the Defense Industrial Supply Center, the National Highway Traffic Safety Administration, the Federal Aviation Administration, and National Aeronautics and Space Administration.

This bill reflects the findings and recommendations of that report. The bill's content further represents discussions between both the Senate Commerce Committee and the House Science Committee, the Department of Commerce, and private industry representatives. Mr. President, let me note that if these revisions to the Fastener Quality Act are not implemented into law by June 24 of this year, the Secretary of Commerce will have no other choice but to implement the Act as originally passed in 1990. Therefore, several of the nation's key industries may be brought to a halt due to lack of certified fasteners. The impact of such a slow down would be disastrous both economically and in terms of continuous flow of products and services to maintain our current way of life.

The bill defines fasteners as ''a metallic screw, nut, bolt, or stud having internal or external threads, with a nominal diameter of one-fourth inch or greater, or a load-indicating washer, that is through-hardened or represented as meeting through-hardening, and that is grade identification marked or represented as meeting a consensus standard that requires grade identification marking.'' This definition substantially reduces the scope of covered fasteners under the Act.

The bill also establishes a hotline in which the public may notify the Department of Commerce of alleged violations of the Fastener Quality Act. It requires record keeping for a period of five years, instead of the previous ten years, via both traditional and electronic means.

To address current inventory concerns, the Act will be applicable only to fasteners fabricated 180 days after the enactment of this bill.

Furthermore, in cases of fasteners manufactured to a consensus standard or standards that require end-of-line testing, the testing is to be performed by an accredited laboratory. This accredited laboratory requirement shall not take effect until two years after enactment of this Act.

Therefore, I, along with my co-sponsors, urge the members of this body to support this bill and to provide the needed legislation which will allow several key industries in this country continuous operation in a safe and responsible manner.

By Mr. DOMENICI (for himself, Mr. WELLSTONE, Mr. CHAFEE,

Mr. SPECTER, Mr. REID, Mr. SARBANES, and Mr. KENNEDY):

S. 796. A bill to provide for full parity with respect to health insurance coverage for certain severe biologically-based mental illnesses and to prohibit limits on the number of mental illness-related hospital days and outpatient visits that are covered for all mental illnesses; to the Committee on Health, Education, Labor, and Pensions.

MENTAL HEALTH EQUITABLE TREATMENT ACT OF 1999

Mr. DOMENICI. Mr. President, today I rise with great pleasure to introduce the Mental Health Equitable Treatment Act of 1999. I also thank Senator WELLSTONE, my cosponsor, and the other Senators who have already joined me in an effort to make this case. This will say to the insurance companies and the businesses of America, unless they have 25 or fewer employees, their insurance coverage of their employees and their employees' families, if there is going to be mental illness or mental disease coverage, they will have to, as to severe illnesses, have coverage with full parity. As to other mental illnesses, they will have to stop trying to get around the parity law by cutting some of the copays and the like. This will prohibit that.

Essentially, we are going to take a piece of America that is currently discriminated against in health care because those Americans do not have a disease that is a disease of the heart but have a disease of the brain. We now can define it sufficiently that there is no reason to cover one and not the other, and in the process we will stop discriminating against about 10 million American families.

Mr. President, I rise today with great pleasure and excitement to introduce the Mental Health Equitable Treatment Act of 1999. I would also like to thank Senator WELLSTONE for once again joining me to cosponsor this important piece of legislation.

The human brain is the organ of the mind and just like the other organs of our body, it is subject to illness. And just as illnesses to our other organs require treatment, so too do illnesses of the brain.

Medical science is in an era where we can accurately diagnose mental illnesses and treat those afflicted so they can be productive. I would ask then, why with this evidence would we not cover these individuals and treat their illnesses like any other disease?

We should not. So, I would submit there should not be a difference in the coverage provided by insurance companies for mental health benefits and medical benefits.

The introduction of this bill marks a historic opportunity for us to take the next step toward mental health parity. As my colleagues know, this is an issue I have a long involvement with and I would like to begin with a few observations.

I believe that we have made great strides in providing parity for the coverage of mental illness. However, mental illness continues to exact a heavy toll on many, many lives.

Even though we know so much more about mental illness, it can still bring devastating consequences to those it touches; their families, their friends, and their loved ones. These individuals and families not only deal with the societal prejudices and suspicions hanging on from the past, but they also must contend with unequal insurance coverage.

I would submit the Mental Health Parity Act of 1996 is a good first start, but the act is also not working. While there may be adherence to the letter of the law, there are certainly violations of the spirit of the law. For instance, ways are being found around the law by placing limits on the number of covered hospital days and outpatient visits.

That is why I believe it is time for a change.

Some will immediately say we cannot afford it or that inclusion of this treatment will cost too much. But, I would first direct them to the results of the Mental Health Parity Act of 1996. That law contains a provision allowing companies to no longer comply if their costs increase by more than 1 percent.

And do you know how many companies have opted out because their costs have increased by more than 1 percent? Only four companies out of all the companies throughout the country.

Mr. President, with that in mind I would like to share a couple of facts about mental illness with my colleagues:

Within the developed world, including the United States, 4 of the 10 leading causes of disability for individuals over the age of 5 are mental disorders.

In the order of prevalence the disorders are major depression, schizophrenia, bipolar disorder, and obsessive compulsive disorder.

Disability always has a cost and the direct cost to the United States per year for respiratory disease is $99 billion, cardiovascular disease is $160 billion, and finally $148 billion for mental illness.

One in every five people—more than 40 million adults—in this Nation will be afflicted by some type of mental illness.

Nearly 7.5 million children and adolescents, or 12 percent, suffer from one or more mental disorders.

Schizophrenia alone is 50 times more common than cystic fibrosis, 60 times more common than muscular dystrophy and will strike between 2 and 3 million Americans.

Let us also look at the efficacy of treatment for individuals suffering from certain mental illnesses, especially when compared with the success rates of treatments for other physical ailments. For a long time, many who are in this field—especially on the insurance side—have behaved as if you get far better results for angioplasty then you do for treatments for bipolar illness.

Treatment for bipolar disorders—this is, those disorders characterized by extreme lows and extreme highs—have an 80-percent success rate if you get treatment, both medicine and care. Schizophrenia, the most dreaded of mental illnesses, has a 60-percent success rate in the United States today if treated properly. Major depression has a 65-percent success rate.

Let's compare those success rates to several important surgical procedures that everybody thinks we ought to be doing: Angioplasty has a 41-percent success rate; atherectomy has a 52-percent success rate.

I would now like to take a minute to discuss the Mental Health Equitable Treatment Act of 1999. The bill seeks a very simple goal: (1) provide full parity for severe biologically based mental illnesses; (2) prohibit limits on the number of covered hospital days and outpatient visits; and (3) eliminate the Mental Health Parity Act's sunset provision.

The bill would provide full parity for the following mental illnesses: schizophrenia, bipolar disorder, major depression, obsessive compulsive and severe panic disorders, posttraumatic stress disorder, autism, and other severe and disability mental disorders.

Like the Mental Health Parity Act of 1996, the bill does not require a health plan to provide coverage for alcohol and substance abuse benefits. Moreover, the bill does not mandate the coverage of mental health benefits, rather the bill only applies if the plan already provides coverage for mental health benefits.

In conclusion, the bill expands full parity to those suffering from a severe biologically based mental illness and it closes a loophole in the Mental Health Parity Act of 1996 by prohibiting limits on the number of covered hospital days and outpatient visits and I would urge my colleagues to support this important piece of legislation.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 796

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 ''Mental Health Equitable Treatment Act of 1999''.

SEC. 2. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Section 712 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a) is amended—

(1) in subsection (a), by adding at the end the following:

''(3) HOSPITAL DAY AND OUTPATIENT VISIT LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both

medical and surgical benefits and mental health benefits—

''(A) NO INPATIENT LIMITS.—If the plan or coverage does not include a limit on the number of days of coverage provided for inpatient hospital stays in connection with covered medical and surgical benefits, the plan or coverage may not impose any limit on inpatient hospital stays for mental health benefits.

''(B) CERTAIN INPATIENT LIMITS.—If the plan or coverage includes a limit on the number of days of coverage provided for inpatient hospital stays in connection with certain covered medical and surgical benefits, the plan or coverage may impose comparable limits on inpatient hospital stays for mental health benefits.

''(C) NO OUTPATIENT LIMITS.—If the plan or coverage does not include a limit on the number of outpatient visits in connection with covered medical and surgical benefits, the plan or coverage may not impose any limit on the number of outpatient visits for mental health benefits.

''(D) CERTAIN OUTPATIENT LIMITS.—If the plan or coverage includes a limit on the number of outpatient visits in connection with certain covered medical and surgical benefits, the plan or coverage may impose comparable limits on the number of outpatient visits for mental health benefits.

''(4) SEVERE MENTAL ILLNESS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides medical and surgical benefits and mental health benefits, such plan or coverage shall not impose any limitations on the coverage of benefits for severe biologically-based mental illnesses unless comparable limitations are imposed on medical and surgical benefits.'';

(2) by striking subsection (b) and inserting the following:

''(b) CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed—

''(A) as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits; or

''(B) in the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides mental health benefits, as affecting the terms and conditions (including cost sharing and requirements relating to medical necessity) relating to the amount, duration, or scope of mental health benefits under the plan or coverage, except as specifically provided in subsection (a) (in regard to parity in the imposition of aggregate lifetime limits and annual limits and limits on inpatient stays or outpatient visits for mental health benefits).

''(2) CARE, TREATMENT, AND DELIVERY OF SERVICES.—Nothing in this subpart shall be construed to prohibit the provision of care or treatment, or delivery of services, relating to mental health services, by qualified health professionals within their scope of practice as licensed or certified by the appropriate State or jurisdiction.'';

(3) in subsection (c)—

(A) by striking paragraph (2); and

(B) in paragraph (1)—

(i) by striking subparagraphs (A) and (B) and inserting the following:

''(A) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 but not more than 25 employees on business days during the preceding calendar year.'';

(ii) by redesignating subparagraphs (A) and (C) as paragraphs (1) and (2), respectively, and realigning the margins accordingly; and

(iii) in paragraph (2) (as so redesignated), by redesignating clauses (i) through (iii) as subparagraphs (A) through (C), respectively;

(4) in subsection (e), by adding at the end the following:

''(5) SEVERE BIOLOGICALLY-BASED MENTAL ILLNESS.—The term 'severe biologically-based mental illness' means an illness that medical science in conjunction with the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) affirms as biologically based and severe, including schizophrenia, bipolar disorder, major depression, obsessive compulsive and panic disorders, posttraumatic stress disorder, autism, and other severe and disabling mental disorders such as anorexia nervosa and attention-deficit/hyper activity disorder.''; and

(5) by striking subsection (f).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2000.

SEC. 3. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Section 2705 of the Public Health Service Act (42 U.S.C. 300gg-5) is amended—

(1) in subsection (a), by adding at the end the following:

''(3) HOSPITAL DAY AND OUTPATIENT VISIT LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits—

''(A) NO INPATIENT LIMITS.—If the plan or coverage does not include a limit on the number of days of coverage provided for inpatient hospital stays in connection with covered medical and surgical benefits, the plan or coverage may not impose any limit on inpatient hospital stays for mental health benefits.

''(B) CERTAIN INPATIENT LIMITS.—If the plan or coverage includes a limit on the number of days of coverage provided for inpatient hospital stays in connection with certain covered medical and surgical benefits, the plan or coverage may impose comparable limits on inpatient hospital stays for mental health benefits.

''(C) NO OUTPATIENT LIMITS.—If the plan or coverage does not include a limit on the number of outpatient visits in connection with covered medical and surgical benefits, the plan or coverage may not impose any limit on the number of outpatient visits for mental health benefits.

''(D) CERTAIN OUTPATIENT LIMITS.—If the plan or coverage includes a limit on the number of outpatient visits in connection with certain covered medical and surgical benefits, the plan or coverage may impose comparable limits on the number of outpatient visits for mental health benefits.

''(4) SEVERE MENTAL ILLNESS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides medical and surgical benefits and mental health benefits, such plan or coverage shall not impose any limitations on the coverage of benefits for severe biologically-based mental illnesses unless comparable limitations are imposed on medical and surgical benefits.'';

(2) by striking subsection (b) and inserting the following:

''(b) CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed—

''(A) as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits; or

''(B) in the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides mental health benefits, as affecting the terms and conditions (including cost sharing and requirements relating to medical necessity) relating to the amount, duration, or scope of mental health benefits under the plan or coverage, except as specifically provided in subsection (a) (in regard to parity in the imposition of aggregate lifetime limits and annual limits and limits on inpatient stays or outpatient visits for mental health benefits).

''(2) CARE, TREATMENT, AND DELIVERY OF SERVICES.—Nothing in this part shall be construed to prohibit the provision of care or treatment, or delivery of services, relating to mental health services, by qualified health professionals within their scope of practice as licensed or certified by the appropriate State or jurisdiction.'';

(3) by striking subsection (c) and inserting the following:

''(c) EXEMPTION.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 but not more than 25 employees on business days during the preceding calendar year.'';

(4) in subsection (e), by adding at the end the following:

''(5) SEVERE BIOLOGICALLY-BASED MENTAL ILLNESS.—The term 'severe biologically-based mental illness' means an illness that medical science in conjunction with the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) affirms as biologically based and severe, including schizophrenia, bipolar disorder, major depression, obsessive compulsive and panic disorders, posttraumatic stress disorder, autism, and other severe and disabling mental disorders such as anorexia nervosa and attention-deficit/hyper activity disorder.''; and

(5) by striking subsection (f).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2000.

SEC. 4. PREEMPTION.

Nothing in the amendments made by this Act shall be construed to preempt any provision of State law that provides protections to enrollees that are greater than the protections provided under such amendments.

MENTAL HEALTH EQUITABLE TREATMENT ACT OF 1999—SUMMARY

The Bill seeks to ensure greater parity in the coverage of mental health benefits by prohibiting limits on the number of covered hospital days and outpatient visits for all mental illnesses and providing full parity for specified severe adult and child mental illnesses.

The Bill only applies to group health plans already providing mental health benefits.

PROHIBITION ON DAY AND VISIT LIMITS FOR ALL MENTAL ILLNESSES

Expands the Mental Health Parity Act of 1996 (MHPA) to include parity for the number of covered hospital days and outpatient visits for all mental illnesses.

FULL PARITY FOR SEVERE BIOLOGICALLY-BASED MENTAL ILLNESSES

Provides full parity for the following severe biologically-based mental illnesses: schizophrenia, bipolar disorder, major depression, obsessive compulsive and severe panic disorders, post traumatic stress disorder, autism, and other severe and disabling mental disorders such as, anorexia nervosa and attention-deficit/hyperactivity disorder.

The term ''severe biologically-based mental illness'' means the above illnesses as defined by current medical science in conjunction with the Diagnostic and Statistical Manual of Mental Disorders (DSM IV).

REQUIREMENTS AND EXEMPTIONS

Elimination of the September 30, 2001 sunset provision in the MHPA.

Like the MHPA the bill does not require plans to provide coverage for benefits relating to alcohol and drug abuse.

There is a small business exemption for companies with 25 or fewer employees.

Mr. WELLSTONE. Mr. President, today I rise to introduce the Mental Health Equitable Treatment Act of 1999, a bit that will ensure that private health insurance companies provide the same level of coverage for mental illness as they do for other diseases. This bill will be a major step toward ending the discrimination against people who suffer from mental illness.

For too long, mental illness has been stigmatized, or viewed as a character flaw, rather than as the serious disease that it is. A cloak of secrecy has surrounded this disease, and people with mental illness are often ashamed and afraid to seek treatment, for fear that they will be seen as admitting a weakness in character. We have all seen portrayals of mentally ill people as somehow different, as dangerous, or as frightening. Such stereotypes only reinforce the biases against people with mental illness. Can you imagine this type of portrayal of someone who has a cardiac problem, or who happens to carry a gene that predisposes them to diabetes?

Although mental health research has well-established the biological, genetic, and behavioral components of many of the forms of serious mental illness, the illness is still stigmatized as somehow less important or serious than other illnesses. Too often, we try to push the problem away, deny coverage, or blame those with the illness for having the illness. We forget that someone with mental illness can look just like the person we see in the mirror, or the person who is sitting next to us on a plane. It can be our mother, or brother, or son, or daughter. It can be one of us. We have all known someone with a serious mental illness, within our families or our circle of friends, or in public life. Many people have courageously come forward to speak about their personal experiences with their illness, to help us all understand better the effects of this illness on a person's life, and I commend them for their courage.

The statistics concerning mental illness, and the state of health care coverage for adults and children with this disease are startling, and disturbing.

One severe mental illness affecting millions of Americans is major depression. The National Institute of Mental Health, a NIH research institute, within the U.S. Department of Health and Human Services, describes serious depression as a critical public health problem. More than 18 million people in the United States will suffer from a depressive illness this year, and many will be unnecessarily incapacitated for weeks or months, because their illness goes untreated. The cost to the Nation in 1990 was estimated to be between $30–$44 billion. The suffering of depressed people and their families is immeasurable.

Depressive disorders are not the normal ups and downs everyone experiences. They are illnesses that affect mood, body, behavior, and mind. Depressive disorders interfere with individual and family functioning. Without treatment, the person with a depressive disorder is often unable to fulfill the responsibilities of spouse or parent, worker or employer, friend or neighbor.

Available medications and psychological treatments, alone or in combination, can help 80 percent of those with depression. But without adequate treatment, future episodes of depression may continue or worsen in severity. Yet, the steady decline in the quality and breadth of health care coverage is truly disturbing.

The results of a major survey of employer-provided health plans was published in 1998 by the Hay Group, an independent benefits consulting firm. The Hay Report showed a major decline in benefits in the last decade:

Employer-provided mental health benefits decreased 54%—while benefits for general health decreased only 7%;

Even before this erosion occurred, mental health benefits made up only 6% of total medical benefits paid by employers. Today—that has been cut in half—it is down to 3%;

The number of plans restricting hospitalization for mental disorders increased by 20%;

Descriptions of benefit limits themselves are misleading. Although plans may say that they allow 30 days for hospitalization, this is rarely approved. In 1996, the average length of stay was 8½ days, down from 17 in 1991.

In 1988, most insurance plans allowed 50 therapy sessions per years. In 1997, the average number was 20.

A 1998 study published by Health Affairs found that between 1991 and 1995, HMO enrollees were twice as likely to encounter limits on psychiatric visits, and about three times as likely to have separate, and higher, copayments than for general medical health care.

No one, of course, expects coverage of any illness to cost nothing. But what we do know is that fears of spiraling costs for mental health treatment are unfounded. Studies from HHS that have examined the effects of mental health and substance abuse treatment parity have shown that full parity for these benefits would be just slightly higher than current premiums. Most reports, like the one requested by Congress from the National Advisory Mental Health Counsel, showed that when mental health coverage is managed, either moderately or tightly, that premium increases can be as low as 1%.

These costs are so low. And the cost of NOT treating is so high—especially when one looks at the toll that untreated mental illness takes on individuals, families, employers, corporations, social service systems, and criminal justice systems. I have seen first hand in the juvenile corrections system what happens when mental illness is criminalized, when youth with mental illness are incarcerated for exhibiting symptoms of their illness. To treat ill people as criminals is outrageous is outrageous and immoral. We must make treatment for this illness as available and as routine as treatment for any other disease. The discrimination must stop.

Our bill includes parity for hospital day and outpatient visits for all mental illnesses. Additionally, for many of the most severe adult and child mental illnesses, the bill establishes full parity, i.e., parity for copayments, deductibles, hospital day, and outpatient visit benefits. The bill also provides protection for non-physician providers, and for states with stronger parity bills; it also includes a small business exemption, and eliminates the sunset provision and the 1% exemption from the 1996 Mental Health Parity Act. Covered services include inpatient treatment; non-hospital residential treatment; outpatient treatment, including screening and assessment, medication management, individual, group and family counseling; and prevention services, including health education and individual and group counseling to encourage the reduction of risk factors for mental illness.

The Mental Health Equitable Treatment Act of 1999 provides for major improvements in coverage for mental illness by private health insurers. It does not require that mental health benefits be part of a health benefits package, but establishes a requirement for parity in coverage for those plans that offer mental health benefits. This bill goes a long way toward our bipartisan goal: that mental illness be treated like any other disease in health care coverage.

Mr. President, the Mental Health Equitable Treatment Act of 1999 is designed to take a large step toward ending the suffering of those with mental illness who have been unfairly discriminated against in their health coverage. We must end this discrimination.

Mr. CHAFEE. Mr. President, I am pleased to join my colleagues, Senators DOMENICI and WELLSTONE, in introducing the Mental Health Equitable Treatment Act of 1999, and I applaud them for their leadership on this issue. This legislation is an important step towards ensuring that people with mental illness have access to the care they need.

For too long, insurance plans have treated patients with mental illnesses differently than those with physical illnesses. However, research has proven the biological origins of mental illness. It is now time to bring coverage of mental illness into the 20th century. There is no rational basis for excluding or limiting coverage for such conditions; doing so is patently discriminatory. Enactment of the Mental Health Parity Act in 1996, which I cosponsored,

was the first step in correcting this disparity. This legislation builds upon the 1996 law by adding some important new protections.

In my home state of Rhode Island, over 28,000 people are suffering from severe mental illnesses such as schizophrenia, bipolar disorder and major depression. These disorders can be as threatening to the health of the patient as physical illnesses, such as cancer or AIDS. Discriminatory coverage restrictions or cost-sharing requirements—such as limits on the number of therapy visits or disparate co-payments—place an undue hardship on these patients at a time when they require medical care.

If left untreated, mental illnesses can result in more serious disability or even death. This legislation takes another step in helping to prevent such tragedies. I hope we one day will be able to end discrimination in the coverage of all mental illnesses. I urge my colleagues to support this measure.

By Mr. ASHCROFT:

S. 797. A bill to apply the Foreign Corrupt Practices Act of 1977 to the International Olympic Committee; to the Committee on Banking, Housing, and Urban Affairs.

INTERNATIONAL OLYMPIC COMMITTEE INTEGRITY ACT OF 1999

Mr. ASHCROFT. Mr. President, for decades Americans have watched with awe and amazement at the invigorating achievements of the world's Olympic athletes. When Gail Devers and Wendy Williams won Olympic medals, they inspired their hometown of Bridgeton, Missouri. When Nikki Ziegelmeyer won a speed skating Olympic medal, her hometown of Imperial Missouri cheered. And when Ray Armstead helped win the 4 by 400 meter relay, St. Louis was proud of its native son.

Gail, Wendy, Nikki and Ray won through sheer talent, toil and sweat. They pursued Olympic fame with honor and integrity, competed fairly, and won with dignity. Their athletic grace on the world stage helped spark dreams of future Olympic glory in young people today.

But now the Olympic torch has been dimmed, and the five Olympic rings have been tarnished by bribes and graft given to secure victory at any price. The victory pursued with moneyed vengeance was not in athletic competition. In this scandal, the Olympic athletes are the innocents, yet the scandal tarnishes their achievement. The villains at ground zero are those who decided where the games were to be played and those who hosted or will host the games. Such irony: Scandal torches the competition to host the world's most competitive and honorable games.

The facts are bleak—in their attempts to land the 2002 Olympics, leaders of the Salt Lake City Olympic Committee spent $4 million on gifts, scholarships, cash payments and other inducements for International Olympic Committee members; allegations by senior Olympic officials have raised questions about payments that may have been made to influence the selection of other Olympic cities; the Justice Department has launched a criminal investigation into payments by Salt Lake City Olympic Officials; an independent investigation conducted by former Senator George Mitchell and former White House Chief of Staff Ken Duberstein concluded that receipt of ''valuables'' by International Olympic Committee members has become ''widespread, notorious, continuous, unchecked and ingrained in the way Olympic business is done.''; and the International Olympic Committee has expelled six of its members for corruption.

Now that these problems have been exposed to the world, the question is what should be done to stop this bribery from destroying the Olympic movement.

Today, Senator MCCAIN took a step in the right direction by convening a hearing in the Senate Commerce Committee. I regret the decision by the President of the International Olympic Committee, Juan Antonio Samaranch, to not attend that hearing. And I take exception with the comments of one of the IOC witnesses who told the Associated Press, and I quote, ''What I'm afraid is that they're doing it for political advantage and not for the benefit of anybody except for themselves. They just get on a soap box and preach their righteousness.''

Well, it is crystal clear to me that Congress should, for our Olympic athletes and the hometowns they represent, use soap and scrubbing and scrutiny to clean up this mess.

Mr. President, today I am introducing legislation that is a vital step in restoring integrity to the IOC host city bidding process. The International Olympic Committee Integrity Act will expand the coverage of the Foreign Corrupt Practices Act to include the IOC. The FCPA prohibits U.S. businesses from offering bribes or kickbacks to foreign officials. The U.S. Olympic Committee has asked President Clinton to issue an executive order to cover the IOC under the FCPA. To date, the President has not done so. My bill accomplishes what the U.S. Olympic Committee has requested and that is to outlaw the gifts and payments such as those that have been made in the past to International Olympic Committee officials.

In addition, I am keeping open the option of removing the federal tax deduction that federal tax law provides for contributions made to the International Olympic Committee. I will review the testimony of IOC witnesses from today's Commerce Committee hearing before making a final decision.

In closing, Mr. President, we should give credit where it is due. When faced with a serious mistake that has been made, a test of character is whether you do the next right thing. Once the Salt Lake City problem was discovered, officials at the U.S. Olympic Committee responded quickly. The USOC asked for the Mitchell-Duberstein investigation I mentioned earlier. The USOC has implemented a series of internal and external reforms of procedures used to apply for hosting the Olympic Games. The USOC has strengthened ethics rules, and created a compliance officer to monitor U.S. bid cities. And, in the future, all honoraria received by committee members must be forfeited to the group's chief financial officer.

We have much more to do in order to restore confidence and dignity to the Olympics. I urge my colleagues to join me in support of the International Olympic Committee Integrity Act. We owe it to Gail Devers, Wendy Williams, Nikki Ziegelmeyer, Ray Armstead and all future Olympic athletes.

By Mr. MCCAIN (for himself, Mr. BURNS, Mr. WYDEN, Mr. LEAHY, Mr. ABRAHAM, and Mr. KERRY):

S. 798. A bill to promote electronic commerce by encouraging and facilitating the use of encryption in interstate commerce consistent with the protection of national security, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF THE ''PROTECT'' ACT

Mr. BURNS. Mr. President, as the Members of the Senate know, for several years I have advocated the enactment of legislation that would facilitate the use of strong encryption. Beginning in the 104th Congress, I have introduced legislation that would ensure that the private sector continues to take the lead in developing innovative products to protect the security and confidentiality of our electronic information including the ability to export such American products.

I am pleased to rise today to introduce with my Chairman, Senator MCCAIN, the PROTECT ACT of 1999 (Promote Reliable On Line Transactions To Encourage Commerce and Trade). The bill reflects a number of discussions we have had this year about the importance of encryption in the digital age to promote electronic commerce, secure our confidential business and sensitive personal information, prevent crime and protect our national security by protecting the commercial information systems and electronic networks upon which America's critical infrastructures increasingly rely. I am extremely pleased to join with him in introducing this important legislation.

While this bill differs in important respects from the PRO-CODE legislation I introduced in the previous Congress, I do think it accomplishes a number of very important objectives. Specifically, the bill:

Prohibits domestic controls;

Guarantees that American industry will continue to be able to come up with innovative products;

Immediately decontrols encryption products using key lengths of 64 bits or less;

Permits the immediate exportability of 128 bit encryption in recoverable encryption products and in all encryption products to a broad group of legitimate and responsible commercial users and to users in allied countries;

Recognizes the futility of unilateral export controls on mass market products and where there are foreign alternatives and so permits the immediate exportability of strong encryption products whenever a public-private advisory board and the Secretary of Commerce determines that they are generally available, publicly available, or available from foreign suppliers;

Directs NIST to complete establishment of the Advanced Encryption Standard with 128 bit key lengths (the DES successor) by January 1, 2002 (and ensures that it is led by the private sector and open to public comment); and

Decontrols thereafter products incorporating the AES or its equivalent.

Today, we are in a world that is characterized by the fact that nearly everyone has a computer and that those computers are, for the most part, connected to one another. In light of that fact, it is becoming more and more important to ensure that our communications over these computer networks are conducted in a secure way. It is no longer possible to say that when we move into the information age, we'll secure these networks, because we are already there. We use computers in our homes and businesses in a way that couldn't have been imagined 10 years ago, and these computers are connected through networks, making it easier to communicate than ever before. This phenomenon holds the promise of transforming life in States like Montana, where health care and state-of-the-art education can be delivered over networks to people located far away from population centers. These new technologies can improve the lives of real people, but only if the security of information that moves over these networks is safe and reliable.

The problem today is that our computer networks are not as secure as they could be; it is fairly easy for amateur hackers to break into our networks. They can intercept information; they can steal trade secrets and intellectual property; they can alter medical records; the list is endless. One solution to this, of course, is to let individuals and businesses alike to take steps to secure that information. Encryption is one technology that accomplishes that.

I am proud that today I have been able to join with Senator MCCAIN to introduce this legislation which will enable Americans to use the Internet with confidence and security.

Mr. LEAHY. Mr. President, this is the third Congress in which I have introduced and sponsored legislation to update our country's encryption policies. My objective has been to bolster the competitive edge of our Nation's high-tech companies, allow Americans to protect their online and electronically stored confidential information, trade secrets and intellectual property, and promote global electronic commerce. I am pleased to join Senators MCCAIN, WYDEN and BURNS, in this continuing effort with the ''Promote Reliable On-Line Transactions to Encourage Commerce and Trade (PROTECT) Act of 1999.''

In May 1996, I chaired a hearing on the Administration's ill-fated Clipper Chip key escrow encryption program that drove home the need for relaxed export controls on strong encryption. U.S. export controls on encryption technology were having a clear negative effect on the competitiveness of American hi-tech companies. Moreover, these controls were discouraging the use of strong encryption domestically since manufacturers generally made and marketed one product for both for export and for domestic use here. At that hearing I heard testimony about 340 foreign encryption products that were available worldwide—including for import into the United States—155 of which employed encryption in a strength that American companies were prohibited from exporting. That number has grown exponentially. As of December, 1997, there were 656 foreign encryption products available from 474 vendors in 29 different foreign countries.

American companies certainly do not enjoy a monopoly on encryption know-how. The U.S. Commerce Department's National Institute for Standard and Technology (NIST) is developing an Advanced Encryption Standard (AES) to update the U.S. Data Encryption Standard (DES), the current global encryption standard. Only 5 of the 15 AES candidate algorithms submitted to NIST for evaluation were proposed from American companies or individuals. The remaining proposals came from Australia, Canada, France, Germany, Japan, Korea, United Kingdom, Israel, Norway, and Belgium.

In the 104th Congress, I introduced encryption legislation on March 5, 1996, with Senators BURNS, Dole, MURRAY and others, to help Americans better protect their online privacy and allow American companies to compete more effectively in the global hi-tech marketplace. Specifically, the ''Encrypted Communications Privacy Act of 1996,'' S. 1587, would have relaxed export controls on strong encryption and promoted the widespread use of encryption to protect the security, confidentiality and privacy of online communications and stored electronic data. This bill would have legislatively confirmed the freedom of Americans to use and sell in the United States any encryption technology that most appropriately met their privacy and security needs. In addition, this bill would have relaxed export controls to allow the export of encryption products when comparable strength encryption was available from foreign suppliers, and encryption products that were generally available or in the public domain.

In the years since that bill was introduced, the Administration has made some positive changes in its export policies. In October 1996, the Administration allowed the export of 56-bit DES encryption by companies that agreed to develop key recovery systems. This policy was supposed to sunset in two years. I strongly criticized this policy at the time, warning that this ''sunset'' provision ''does not promote our high-tech industries overseas.'' In fact, when the time came last year to return to the old export regime that allowed the export of only 40-bit encryption, the Administration relented and continues to permit the export of 56-bit encryption, with the condition of developing encryption programs with recoverable keys.

The proposals I made in 1996 made sense then, and versions of these provisions are incorporated into the PROTECT Act today.

Specifically, the PROTECT Act would provide immediate relief by allowing the export of encryption using key lengths of up to 64 bits. In addition, stronger encryption (more than 64-bit key lengths) would be exportable under a license exception, upon determination by a new Encryption Export Advisory Board that the product or service is generally available, publicly available or a comparable product is available from a foreign supplier. This determination is subject to approval by the Secretary of Commerce and to override by the President on national security grounds.

This relief is important since the time and effort to crack 56-bit DES encryption is getting increasingly short. Indeed, earlier this year, a group of civilian computer experts broke a 56-bit encrypted message in less than 24 hours, beating a July 1998 effort that took 56 hours.

The breaking of 56-bit encryption comes as no surprise to those doing business, engaging in research, or conducting their personal affairs online. While 56-bit encryption may still serve as the global standard, this will not be the situation for much longer. 128-bit encryption is now the preferred encryption strength.

For example, in order to access online account information from the Thrift Savings Plan for Federal Employees, Members and congressional staff must use 128-bit encryption. If you use weaker encryption, a screen pops up to say ''you cannot have access to your account information because your Web browser does not have Secure Socket Layer (SSL) and 128-bit encryption (the strong U.S./Canada-only version).''

Likewise, the Department of Education has set up a Web site that allows prospective students to apply for student financial aid online. Significantly, the Education's Department

states that ''[t]o achieve maximum protection we recommend you use 128-bit encryption.''

These are just a couple examples of government agencies or associated organizations directing or urging Americans to use 128-bit encryption. We should assume that people in other countries are getting the same directions and recommendations. Unfortunately, while American companies can fill the demand for this strong encryption here, they are not permitted to sell it abroad for use by people in other countries.

Significantly, the PROTECT Act would permit the export of 128-bit (and higher) AES products by January 1, 2002. While not providing relief as quickly as I have urged in other encryption legislation, including the E-PRIVACY Act, S. 2067, in the last Congress, this bill moves in the right direction, and provides a sunset for unworkable encryption export controls. In my view, this bill would give most Internet users access to the strongest tools they need to protect their privacy starting in 2002—a long time by Net standards, but time our law enforcement and intelligence agencies say they need to address the global proliferation of strong encryption.

Encryption is a critical tool for Americans to protect their privacy and safeguard their confidential electronic information, such as credit card numbers, personal health information, or private messages, from online thieves and snoops. This is important to encourage the continued robust growth of electronic commerce. A March 1999 report of the Vermont Internet Commerce Research Project that I commissioned analyzed barriers to Internet commerce in my home State, and found that ''the strongest obstacle among consumers'' was the perceived lack of security.

Focusing on the export regime for encryption technology is only one aspect, albeit an important one, in the larger debate over how best to protect privacy in a digital and online environment. Legislation to provide encryption export relief is a start, but we also have important work to do in addressing broader privacy issues, such as establishing standards for law enforcement access to decryption assistance. I look forward to working with Senators MCCAIN, WYDEN and BURNS on passage of the PROTECT Act as well as other privacy legislation.

Mr. KERRY. Mr. President, today I join my esteemed colleagues, Senators MCCAIN, BURNS, WYDEN, LEAHY and ABRAHAM in introducing legislation that will encourage sales of US information technology products while at the same time protecting our national security interests. The Promote Reliable On-Line Transactions to Encourage Commerce and Trade (PROTECT) Act of 1999 is an important first step that recognizes that as the Internet becomes more of a presence in global commerce, there must be guarantees and assurances that business and personal information remains confidential. It also recognizes that the US companies are leaders in creating the technology that serves this vital purpose, and that these companies are integral to our growing economy.

United States information technology companies have been frustrated by what they perceive as too-stringent controls on the export of their encryption products. These controls have served a vital purpose in protecting national security interests. The realities of the marketplace and the technology sector, however, suggest that it time to loosen our grip somewhat on the export controls we impose. Although the US is the leader in producing high quality, strong encryption products, other countries also have the ability to produce comparable products. We must recognize this reality and understand that while export controls can slow the spread of encrypted products, they cannot stop it. Importantly, controls that do not recognize this reality put our software industry at a disadvantage as it tries to compete in the global market.

Nothing, of course, is more important than our national security. This legislation maintains strong guidelines to ensure that encryption technology is not sold to countries that pose a threat to our national security. It puts in place a number of reasonable checks to make certain that US encryption technology does not get into the wrong hands. At the same time, it takes into consideration that where encryption products are generally or publicly available, we should not unduly limit their sale to responsible entities in NATO, OECD or ASEAN countries. To do so would not only cause potential harm to US industry, but it could also have an unintended negative impact on our own security.

I applaud Senator MCCAIN for taking this first step towards resolving a complicated problem. As we work through this and other legislation that attempts to address the issue of encryption exports, I hope we can incorporate the best features into the strongest possible bill.

By Mr. CAMPBELL:

S. 799. A bill to amend the Internal Revenue Code of 1986 to modify the tax brackets, eliminate the marriage penalty, allow individuals a deduction for amounts paid for insurance for medical care, increase contribution limits for individual retirement plans and pensions, and for other purposes; to the Committee on Finance.

TAX RELIEF

Mr. CAMPBELL. Mr. President, today I offer an important piece of legislation. The bill I offer today, called the American Family Tax Relief Act of 1999, is a modest, but important tax relief package. This bill is important for both substantive and symbolic reasons. Substantively, this bill provides all Americans with needed tax relief. If the need for tax relief isn't yet apparent to everyone, tomorrow will remind all Americans of the need when they submit tax returns which reflect an ever larger percentage of their income going to the federal government.

This bill is also important as a symbol to the American public that Congress remains committed to the principle of a smaller federal government and lower taxes. We should not use the unusually good economic times we enjoy as an excuse to delay providing tax relief to hard-working American families. No, we should instead take this wonderful opportunity to recommit ourselves to fiscal discipline and responsibility.

We are already taking important steps in this regard by locking up the social security trust fund to ensure its solvency. We are also devoting a significant portion of the surplus to retiring publicly held debt, which will reduce the drain on federal spending for interest on this debt. The next step is to provide tax relief. This is a platform many of us have stood upon, and is therefore a pledge we must honor. If we can't provide tax cuts in good times, think how difficult it would be in bad times.

This bill I offer today has five different components: the largest component of this legislation would lower all individual income tax rates by 5%. Although this is substantially less than the 10% tax cut I have also supported, this modest reduction will more easily fit in the budget offsets after social security solvency and debt retirement have been addressed. By letting all Americans keep more of their income, they will be free to spend or save more of it. By now, we all know that the end result of this is a healthier, more robust economy.

The second component would expand the lowest income tax bracket, a targeted tax break for middle income tax payers. In addition to the 5% across the board reduction, many middle income earners would now fall into the lowest tax bracket, thereby paying even lower taxes than they would under the existing tax code.

Third, I would repeal the marriage penalty. Last year during my reelection campaign, I heard from hundreds of Coloradans asking me to repeal this offensive part of the tax code. I agree with all of them that we need a tax code that underscores the value we place on encouraging families, not one that discourages or penalizes marriage. This bill would do that.

Fourth, this bill would bring needed relief to many taxpayers by allowing the full deductibility of health insurance. Even folks who don't meet the minimum criteria needed to itemize their deductions, often single folks or lower income folks, could still deduct their health insurance. This is a critical step towards providing all Americans with health insurance coverage and reducing the cost of this critical component of modern life.

The last piece of this bill would encourage greater individual responsibility for retirement planning. By allowing a taxpayer to contribute more into an IRA without being taxed, more individuals will contribute more to their own retirement. The end result would be less reliance and less strain on Social Security and other entitlement programs. The more Congress can lead the way in weaning ourselves off of federal entitlements by encouraging individual retirement planning, the more government will shrink while increasing its efficiency.

I conclude by inviting my colleagues to take a good look at this bill and work with me on reasonable changes and to support its passage.

By Mr. BURNS (for himself, Mr. MCCAIN, Mr. DORGAN, and Mr. WYDEN):

S. 800. A bill to promote and enhance public safety through the use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

E–911 ACT OF 1999

Mr. BURNS. Mr. President, I am here today to talk about some good news for a change. I want to introduce the ''E–911 Act of 1999.'' The purpose of this legislation is to improve 911. By linking some of the amazing innovations in wireless technology to 911 and medical and emergency response professionals we bring our 911 systems into the 21st century.

All kinds of technologies exist today that can greatly reduce response time to emergencies and help victims get the right kind of medical attention quickly. But right now these technologies are not connected in ways that can be used for emergencies. That's why this effort to upgrade our 911 systems across the nation is so important and necessary.

The National Highway Traffic Safety Administration has conducted studies showing that crash-to-care time for fatal accidents is about a half hour in urban areas. In rural areas, which covers most of my home state of Montana, that crash-to-care time almost doubles. On average, it takes just shy of an hour to get emergency attention to crash victims in rural areas. Almost half of the serious crash victims who do not receive care in that first hour die at the scene of the accident. That's a scary statistic.

In 1997 there were 37,280 fatal motor vehicle crashes in the United States—41,967 people died as a result. Of that number, 2,098 were children. Now obviously there is no piece of legislation that can instantly prevent these kinds of tragedies. But there are definitely things we can do to help reduce them. Upgrading our 911 response systems, which this legislation promotes, is a solid step toward preventing many horrible tragedies.

Drew Dawson, who is the director of the Montana Emergency Medical Services Bureau and the president of the National Association of State Emergency Medical Services Directors, strongly supports the Wireless Communications and Public Safety Act of 1999. He tells me that the bill will help bring better wireless 911 coverage to Montana and will enhance our statewide Trauma Care System. Mr. Dawson believes this legislation will help him and his emergency folks do their jobs better, which means it will help them save more lives than they already do.

I have to say a word about all of the good work that folks like Drew Dawson in Montana and other emergency professionals do all over the country. The United States has the most skilled and dedicated group of medical and emergency professionals in the world. We need to give them better tools. There is technology out there that can help these professionals and that can help all of us citizens, if, God forbid, we ever find ourselves in an emergency situation needing this kind of help. The E–911 Act of 1999 will help all of us and will make our emergency services even better than they are today.

Mr. President, Let me take a moment to summarize the important sections of this bill.

It makes Congressional findings and specifies the purpose of the Act. The purpose of the Act is ''to encourage and facilitate the prompt deployment throughout the United States of a seamless, ubiquitous, and reliable end-to-end infrastructure for communications, including wireless communications, to meet the Nation's public safety and other communications needs.''

It assigns to the Federal Communications Commission, and any agency or entity to which it has delegated authority under Section 251 of the Communications Act of 1934, the duty to designate the number 911 as the universal emergency telephone number within the United States for reporting an emergency to appropriate authorities and requesting assistance. The universal number would apply both to wireless and wireline telephone service. The Commission, and any agency or entity, must establish appropriate periods for geographic areas in which 911 is not in use as an emergency telephone number to transition to the use of 911.

It establishes a principle of parity between the wireless and wireline telecommunications industries in protection from liability for: (1) the provision of telephone services, including 911 and emergency warning service, and (2) the use of 911 and emergency warning service. The bill provides for wireless providers of telephone service to receive at least as much protection under Federal, State or local law from liability as local exchange companies receive in providing telephone services. States cannot impose procedural barriers, such as requiring wireless providers to file tariffs, as a condition for wireless providers to receive the substantive protection from liability for which the legislation provides. The bill also provides for users of wireless 911 service to receive at least as much protection from liability under Federal, State or local law as users of wireline 911 service receive.

It amends Section 222 of the Communications Act of 1934 (47 U.S.C. 222) to provide appropriate privacy protection for call location information concerning the user of a commercial mobile service, including such information provided by an automatic crash notification system. The provision authorizes disclosure of such information to emergency dispatch providers and emergency service personnel in order to respond to the user's call for emergency services. The provision also is intended to allow disclosure of such information to the next-of-kin or legal guardian of a person as necessary in connection with the furnishing of medical care to such person as a result of an emergency. Finally, the customer of a commercial mobile radio service may grant broader authority (for example, in the customer's written subscription agreement with the service provider) for the use of, disclosure of, or access to call location information concerning users of the customer's commercial mobile service communications instrument (e.g., the customer's wireless telephone), but the customer must grant such authority expressly and in advance of such use, disclosure or access.

It provides definitions for terms used in the legislation.

That is the long version of what this bill is about. The short version is: it's about saving lives. Mr. President, I hope all of my colleagues will join me and help pass this important legislation.

Mr. MCCAIN. Mr. President, today I am pleased to cosponsor and support the E–911 Act of 1999, which has been introduced by Senator BURNS. I commend Senator BURNS for his outstanding work on this legislation which will help build a national wireless communications system and save lives.

Mr. President, I want to make sure that Americans everywhere can dial 9–1–1 to summon prompt assistance in an emergency. When a person is seriously injured, every second counts. In fact, medical trauma and public safety professionals speak of a ''golden hour''—the first hour after serious injury when the greatest percentage of lives can be saved. The sooner that the seriously injured get medical help, the greater the chance of survival. And prompt notification to the authorities is the first critical step in getting medical assistance to the injured.

I believe that injured Americans should be able to get emergency medical assistance as quickly as possible.

Over 60 million Americans carry wireless telephones. Some of these people own them specifically for safety reasons, in order to summon help in an emergency. Others would be willing to use their phones to report emergencies to the authorities.

But in many parts of the country when a person who is seriously injured—or a frantic bystander—calls 9–1–1 on their wireless telephone, nothing happens. Although many Americans think that 9–1–1 is already a national emergency number everywhere, it isn't. There are many places in America where 9–1–1 isn't the right number to call for help. The rule in America ought to be uniform and simple—if you have an emergency wherever you are, dial 9–1–1. This bill reduces the danger of not knowing what number to call, by making 9–1–1 the universal emergency telephone number.

Mr. President, I also believe that we also need to tie our citizens through their wireless telephones to emergency medical centers, police and firefighters so that they can get lifesaving assistance even when they are too injured to make a 9–1–1 call, or can make the call but cannot give their location. This bill supports the upgrading of 9–1–1 systems so that they can deliver more information, like location and automatic crash information data which will better enable emergency services to reach those incapacitated by injury. This legislation also promotes the expansion of the areas covered by wireless telephone service, so that more people can use wireless phones in an emergency. Because if a wireless telephone isn't within range of a wireless tower, a wireless call can't go through.

Mr. President, I would like to see an America where more people in more places can call 9–1–1 and quickly get the right help in emergencies. This legislation will help reduce medical response time for millions of Americans, by helping to make sure that people can use their wireless phones to call 9–1–1 immediately and get the ambulances rolling

I look forward to working with my colleagues on the Commerce Committee on this important life-saving legislation, and I urge all my colleagues to support it.

By Mr. SANTORUM:

S. 801. A bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level; to the Committee on Finance.

REPEALING THE BEER TAX

Mr. SANTORUM. Mr. President, I rise today to introduce legislation pertaining to the federal excise tax on beer.

Many people are not aware that they pay enormous hidden taxes when they purchase any number of consumer products. The beer tax is one significant example of such a hidden tax. Bearing a disproportionate tax burden, forty-three percent of the cost of beer is comprised of both state and federal taxes.

The federal government doubled its tax on beer eight years ago. Today, though it is one of the more regressive taxes, the 100 percent beer tax increase remains as the only ''luxury tax'' enacted as part of the 1991 Omnibus Budget Reconciliation Act. While taxes on furs, jewelry, and yachts have been repealed through subsequent legislation, the federal beer tax remains in place with continued far reaching effects, including the loss of as many as 50,000 industry jobs. My legislation seeks to correct this inequity and will restore the level of federal excise tax to the pre-1991 tax rate.

Mr. President, I offer this bill as companion legislation to H.R. 1366 introduced by Representative PHIL ENGLISH.

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

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

S. 801

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

SECTION 1. REPEAL OF 1990 TAX INCREASE ON BEER.

(a) IN GENERAL.—Paragraph (1) of section 5051(a) of the Internal Revenue Code of 1986 (relating to imposition and rate of tax on beer) is amended by striking ''$18'' and inserting ''$9''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

By Mr. SANTORUM (for himself, Mr. CHAFEE, Mr. GREGG, Mr. FEINGOLD, Mr. DEWINE, Mr. BROWNBACK, Mr. SPECTER, and Ms. COLLINS):

S. 802. A bill to provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price; to the Committee on Agriculture, Nutrition, and Forestry.

REFORM OF THE FEDERAL PEANUT PROGRAM

Mr. SANTORUM. Mr. President, I rise today to introduce a bill that would bring common sense reform to the federal peanut commodity program. This legislation would phase out the peanut quota program over three years, with the quota being eliminated in crop year 2002. I am joined today by several colleagues in this reform effort.

Under this legislation, the price support for peanuts that are grown for edible consumption is gradually reduced each year from the current support price of $610 per ton to $500 per ton by 2001. In the year 2002 and ensuing crop years, there would be no quotas on peanuts, and the Secretary of Agriculture would be required to make the non-recourse loan available to all peanut farmers at 85 percent of their estimated market value. This measure is consistent with the non-recourse loan programs available for other agriculture commodities.

Another component of this peanut reform bill would allow additional peanuts, those produced in excess of the farmer's quota poundage, to be used for sale to the school lunch program.

Mr. President, the federal peanut program, born in the 1930's during an era of massive change and dislocation in agriculture, is sorely out of place in today's agricultural sector. Other farm commodities are seeking new export opportunities abroad, building new markets and helping to improve our national balance of trade, however, the peanut industry is building new barriers to protect itself. The quota system stifles freedom for farmers, and it fosters a set of economic expectations that cannot be sustained without continued government intervention. Moreover, failure to reform this program costs consumers between $300–500 million annually, adding to the cost of feeding programs for low-income Americans.

In short, this program must be changed. As we have learned from changes made to other commodity programs, reform does not happen overnight. This proposal provides for a fair transition that will enable farmers and lenders to adjust their expectations to the marketplace. Following completion of the phase-out period, the peanut program will operate like most other agricultural commodities.

Mr. President, I am pleased to have many of my Senate colleagues join me today as cosponsors of this measure, including Senators CHAFEE, DEWINE, FEINGOLD, GREGG, BROWNBACK, SPECTER, and COLLINS.

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

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

S. 802

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

SECTION 1. REDUCTION IN LOAN RATES FOR PEANUTS.

Section 155(a) of the Agricultural Market Transition Act (7 U.S.C. 7271(a)) is amended by striking paragraph (2) and inserting the following:

''(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be as follows:

''(A) $610 per ton for the 1999 crop.

''(B) $550 per ton for the 2000 crop.

''(C) $500 per ton for the 2001 crop.''.

SEC. 2. NONRECOURSE LOANS FOR 2002 AND SUBSEQUENT CROPS OF PEANUTS.

Effective beginning with the 2002 crop of peanuts, section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) is amended to read as follows:

''SEC. 155. PEANUT PROGRAM.

''(a) IN GENERAL.—

''(1) LOANS.—The Secretary shall make nonrecourse loans available to producers of peanuts for each of the 2002 and subsequent crops of peanuts.

''(2) RATE.—In carrying out paragraph (1), the Secretary shall offer to all peanut producers nonrecourse loans at a level not less than 85 percent of the simple average price

received by producers for peanuts, as determined by the Secretary, during the marketing year for each of the immediately preceding 5 crops of peanuts, excluding the year in which the average price was the highest and the year in which the average price was the lowest during the period, but not more than $350 per ton. The loans shall be administered at no net cost to the Commodity Credit Corporation.

''(3) INSPECTION, HANDLING, OR STORAGE.—The levels of support determined under paragraph (2) shall not be reduced by any deduction for inspection, handling, or storage.

''(4) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—Any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so results in no net cost to the Commodity Credit Corporation.

''(5) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for the location of peanuts and such other factors as are authorized by section 403.

''(6) ANNOUNCEMENT.—The Secretary shall announce the level of support for each crop of peanuts not later than the February 15 preceding the marketing year for which the level of support is being determined.

''(b) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

''(c) CROPS.—This section shall be effective for each of the 2002 and subsequent crops of peanuts.''.

SEC. 3. ELIMINATION OF PEANUT QUOTAS FOR 2002 AND SUBSEQUENT CROPS OF PEANUTS.

(a) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(A) in paragraph (3)(A), by striking ''corn, rice, and peanuts'' and inserting ''corn and rice'';

(B) in paragraph (6), by striking subparagraph (C);

(C) in paragraph (10)(A)—

(i) by striking ''wheat, and peanuts'' and inserting ''and wheat''; and

(ii) by striking ''; 20 per centum in the case of wheat; and 15 per centum in the case of peanuts'' and inserting ''; and 20 percent in the case of wheat'';

(D) in paragraph (13)—

(i) by striking subparagraphs (B) and (C); and

(ii) in subparagraph (G), by striking ''or peanuts'' both places it appears; and

(E) in paragraph (16)(A), by striking ''rice, and peanuts'' and inserting ''and rice''.

(2) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ''peanuts,''.

(3) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking ''peanuts,''; and

(B) in the first sentence of subsection (b), by striking ''peanuts''.

(4) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in subsection (a), by striking the first sentence and inserting the following new sentence: ''This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, or tobacco from producers, and all persons engaged in the business of redrying, prizing, or stemming tobacco for producers.''; and

(B) in subsection (b), by striking ''peanuts,''.

(5) REGULATIONS.—Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking ''peanuts,''.

(6) EMINENT DOMAIN.—The first sentence of section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended by striking ''cotton, tobacco, and peanuts,'' and inserting ''cotton and tobacco,''.

(c) LIABILITY.—A provision of this section or an amendment made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the provision of this section or the amendment in accordance with this section.

(d) APPLICATION.—This section and the amendments made by this section shall apply beginning with the 2002 crop of peanuts.

SEC. 4. PURCHASE OF PEANUTS FOR NUTRITION PROGRAMS.

Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end the following:

''(h) PURCHASE OF PEANUTS FOR NUTRITION PROGRAMS.—

''(1) DEFINITIONS.—In this subsection—

''(A) ADDITIONAL PEANUTS.—The term 'additional peanuts' has the meaning given the term in section 358–1(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(e)).

''(B) COVERED PROGRAM.—The term 'covered program' means—

''(i) a program established under this Act;

''(ii) a program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

''(iii) the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);

''(iv) the food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

''(v) the commodity distribution program established under section 4 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note);

''(vi) the commodity supplemental food program established under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note); and

''(vii) a nutrition program carried out under part C of title III of the Older Americans Act of 1965 (42 U.S.C. 3030e et seq.).

''(2) PURCHASES.—Notwithstanding any other provision of law, in purchasing peanuts or peanut products to carry out a covered program, the Secretary shall—

''(A) purchase the peanuts or peanut products at a price that is not more than the prevailing world market price for peanuts or peanut products produced in the United States, as determined by the Secretary; and

''(B) in the case of peanut purchases, purchase only additional peanuts.

''(3) DOMESTIC EDIBLE USE.—Notwithstanding any other provision of law, additional peanuts purchased by the Secretary to carry out a covered program shall not be considered to be peanuts for domestic edible use under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) or Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

''(4) SUPPLY.—The Secretary shall take such actions as are necessary to ensure, to the maximum extent practicable, that an adequate supply of additional peanuts is available to carry out covered programs.

''(5) PENALTIES.—Notwithstanding any other provision of law, a person that produces additional peanuts that are sold to the Secretary, or sells additional peanuts to the Secretary, for a covered program shall not be subject to a penalty or other sanction for the production or sale of the additional peanuts.''.

By Mr. MCCAIN (for himself and Mr. WYDEN):

S. 803. A bill to make the International Olympic Committee subject to the Foreign Corrupt Practices Act of 1977, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE IOC REFORM ACT

Mr. MCCAIN. Mr. President, I rise today to introduce legislation that would make the International Olympic Committee subject to the Foreign Corrupt Practices Act. This legislation is in response to what I believe is a failure on the part of the International Olympic Committee (IOC) to adequately respond to corruption in the selection of cities to host the Olympic games.

This morning, I chaired a hearing of the Commerce Committee on the recent public controversies involving the Olympic bid process. As most of you know, allegations of bribes and corruption in the Salt Lake City bid process have prompted investigations by the Utah Attorney General and the Department of Justice. The purpose of the hearing was not to focus on a single investigation. Instead, the Committee examined the bid process as a whole and the reform efforts undertaken by the United States Olympic Committee (USOC) and IOC respectively.

The Committee heard testimony from the USOC, IOC and the Special Bid Oversight Commission. The Commission was appointed by the USOC to review the circumstances surrounding the selection of Salt Lake City to host the 2002 Winter Olympics. The Commission, composed of a group of highly respected individuals including our former colleague Senator Mitchell and Ken Duberstein, made a series of recommendations to reform both the USOC and the IOC. The recommendations focused on bringing transparency and accountability to both organizations.

The USOC appears to be moving forward with reform. It adopted in full the recommendations of the Commission and took responsibility for its own failure to oversee the Salt Lake City bid process. While not complete, I believe the process of reform at the USOC has begun. Unfortunately, the hearing did very little to ease my concerns about the IOC. IOC representatives expressed opposition to several of the commissions' recommendations and continues to be resistant to change. While I understand the IOC may have legitimate concerns about some of the suggested reforms, I question their commitment to reform.

This morning Senator Mitchell and the other members of the Commission agreed that Congress could and should take action to ensure that the IOC is

subject to the Foreign Corrupt Practices Act. In the United States, the Foreign Corrupt Practices Act is available to law enforcement to combat official corruption in international business transactions. Currently, IOC members are not governed by the Act because they do not generally act in the role of a foreign official. Rather, they act on behalf of the IOC, a private enterprise. My amendment includes the IOC in the definition of a Public International Organization subjecting them to the Foreign Corrupt Practices Act.

This bill should be a considered vehicle for discussion. This morning, Senator Mitchell and the Commission offered to provide the committee with further comments on possible legislative solutions to this problem. I look forward to hearing their ideas and working with them. However, based upon the recommendation of the panel this morning and the need to send a strong signal to IOC that we are serious about reform, I wanted to introduce this first step today. I know that many of my colleagues either will introduce measures as well and I look forward to working with them.

By Mr. ROCKEFELLER (for himself and Mr. FRIST):

S. 804. A bill to improve the ability of Federal agencies to license Federally-owned inventions; to the Committee on Commerce, Science, and Transportation.

TECHNOLOGY TRANSFER COMMERCIALIZATION ACT OF 1999

Mr. ROCKEFELLER. Mr. President, today I am with my colleague Senate FRIST introducing the Technology Transfer Commercialization Act of 1999. This bill would make technical changes and clarifications to the legislation which governs the transfer of intellectual property from the federal government to the private sector.

The original Technology Transfer Improvements Act (TTIA), which I was author of in 1995, allowed for easier and quicker access to intellectual property which the government owns and private industry wants. It created a win-win situation. The government gets royalties from these licenses, private industry gets the intellectual property that it needs, and Americans get jobs from the production of inventions based on this intellectual property.

This bill builds on the strong positive response from TTIA. It reduces the requirements for obtaining a non-exclusive license in order to allow as many companies and individuals as possible access to the information. It also addresses private industry's concerns about maintaining confidential information within applications.

However, this does not come at the expense of the government being able to keep control of its property. This bill also clarifies the ability of the licensing agencies to terminate a license if certain criteria are not met. Furthermore, it allows the government to consolidate intellectual property which is developed in cooperation with a private entity so that the package can be relicensed to a third party.

Technology transfer is a vital part of our national economy. It is what allows our industries to remain at the leading edge in their field. This bill clarifies and adjusts current legislation to allow for an even better working relationship between the federal government and private industry. I encourage my colleagues to support this bill.

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

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

S. 804

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 ''Technology Transfer Commercialization Act of 1999''.

SEC. 2. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 12(b)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) is amended by inserting ''or, subject to section 209 of title 35, United States Code, may grant a license to an invention which is federally owned, for which a patent application was filed before the granting of the license, and directly within the scope of the work under the agreement,'' after ''under the agreement,''.

SEC. 3. LICENSING FEDERALLY OWNED INVENTIONS.

(a) IN GENERAL.—Section 209 of title 35, United States Code, is amended to read as follows:

''§ 209. Licensing federally owned inventions

''(a) AUTHORITY.—A Federal agency may grant an exclusive or partially exclusive license on a federally owned invention under section 207(a)(2) only if—

''(1) granting the license is a reasonable and necessary incentive to—

''(A) call forth the investment capital and expenditures needed to bring the invention to practical application; or

''(B) otherwise promote the invention's utilization by the public;

''(2) the Federal agency finds that the public will be served by the granting of the license, as indicated by the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public, and that the proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical utilization, as proposed by the applicant, or otherwise to promote the invention's utilization by the public;

''(3) the applicant makes a commitment to achieve practical utilization of the invention within a reasonable time, which may be extended by the agency upon the applicant's request and the applicant's demonstration that the refusal of such an extension would be unreasonable as specified in the license;

''(4) granting the license will not tend to substantially lessen competition or create or maintain a violation of the Federal antitrust laws; and

''(5) in the case of an invention covered by a foreign patent application or patent, the interests of the Federal Government or United States industry in foreign commerce will be enhanced.

''(b) MANUFACTURE IN UNITED STATES.—A Federal agency shall normally grant a license under section 207(a)(2) to use or sell any federally owned invention in the United States only to a licensee who agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

''(c) SMALL BUSINESS.—First preference for the granting of any exclusive or partially exclusive licenses under section 207(a)(2) shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time.

''(d) TERMS AND CONDITIONS.—Any licenses granted under section 207(a)(2) shall contain such terms and conditions as the granting agency considers appropriate. Such terms and conditions shall include provisions—

''(1) retaining a nontransferable, irrevocable, paid-up license for any Federal agency to practice the invention or have the invention practiced throughout the world by or on behalf of the Government of the United States;

''(2) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee, but only to the extent necessary to enable the Federal agency to determine whether the terms of the license are being complied with; and

''(3) empowering the Federal agency to terminate the license in whole or in part if the agency determines that—

''(A) the licensee is not executing its commitment to achieve practical utilization of the invention, including commitments contained in any plan submitted in support of its request for a license, and the licensee cannot otherwise demonstrate to the satisfaction of the Federal agency that it has taken, or can be expected to take within a reasonable time, effective steps to achieve practical utilization of the invention;

''(B) the licensee is in breach of an agreement described in subsection (b);

''(C) termination is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license, and such requirements are not reasonably satisfied by the licensee; or

''(D) the licensee has been found by a court of competent jurisdiction to have violated the federal antitrust laws in connection with its performance under the license agreement.

''(e) PUBLIC NOTICE.—No exclusive or partially exclusive license may be granted under section 207(a)(2) unless public notice of the intention to grant an exclusive or partially exclusive license on a federally owned invention has been provided in an appropriate manner at least 15 days before the license is granted, and the Federal agency has considered all comments received before the end of the comment period in response to that public notice. This subsection shall not apply to the licensing of inventions made under a cooperative research and development agreement entered into under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).

''(f) PLAN.—No Federal agency shall grant any license under a patent or patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention, except that any such plan may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code.''.

(b) CONFORMING AMENDMENT.—The item relating to section 209 in the table of sections for chapter 18 of title 35, United States Code, is amended to read as follows:

''209. Licensing federally owned inventions.''.

SEC. 4. TECHNICAL AMENDMENTS TO BAYH-DOLE ACT.

Chapter 18 of title 35, United States Code (popularly known as the ''Bayh-Dole Act''), is amended—

(1) by amending section 202(e) to read as follows:

''(e) In any case when a Federal employee is a coinventor of any invention made with a nonprofit organization or small business firm, the Federal agency employing such coinventor may, for the purpose of consolidating rights in the invention and if it finds it would expedite the development of the invention—

''(1) license or assign whatever rights it may acquire in the subject invention to the nonprofit organization or small business firm; or

''(2) acquire any rights in the subject invention from the nonprofit organization or small business firm, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction and no other transaction under this chapter is conditioned on such acquisition.''; and

(2) in section 207(a)—

(A) in paragraph (2), by striking ''patent applications, patents, or other forms of protection obtained'' and inserting ''inventions''; and

(B) in paragraph (3), by inserting '', including acquiring rights for the Federal Government in any invention, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction, to facilitate the licensing of a federally owned invention'' after ''or through contract''.

SEC. 5. TECHNICAL AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.

The Stevenson-Wydler Technology Innovation Act of 1980 is amended—

(1) in section 4(4) (15 U.S.C. 3703(4)), by striking ''section 6 or section 8'' and inserting ''section 7 or 9'';

(2) in section 4(6) (15 U.S.C. 3703(6)), by striking ''section 6 or section 8'' and inserting ''section 7 or 9'';

(3) in section 5(c)(11) (15 U.S.C. 3704(c)(11)), by striking ''State of local governments'' and inserting ''State or local governments'';

(4) in section 9 (15 U.S.C. 3707), by—

(A) striking ''section 6(a)'' and inserting ''section 7(a)'';

(B) striking ''section 6(b)'' and inserting ''section 7(b)''; and

(C) striking ''section 6(c)(3)'' and inserting ''section 7(c)(3)'';

(5) in section 11(e)(1) (15 U.S.C. 3710(e)(1)), by striking ''in cooperation with Federal Laboratories'' and inserting ''in cooperation with Federal laboratories'';

(6) in section 11(i) (15 U.S.C. 3710(i)), by striking ''a gift under the section'' and inserting ''a gift under this section'';

(7) in section 14 (15 U.S.C. 3710c)—

(A) in subsection (a)(1)(A)(i), by inserting '', if the inventor's or coinventor's rights are assigned to the United States'' after ''inventor or coinventors'';

(B) in subsection (a)(1)(B), by striking ''succeeding fiscal year'' and inserting ''2 succeeding fiscal years''; and

(C) in subsection (b)(2), by striking ''invention'' and inserting ''invention''; and

(8) in section 22 (15 U.S.C. 3714), by striking ''sections 11, 12, and 13'' and inserting ''sections 12, 13, and 14''.

SEC. 6. REVIEW OF COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT PROCEDURES.

(a) REVIEW.—Within 90 days after the date of the enactment of this Act, each Federal agency with a federally funded laboratory that has in effect on that date of enactment 1 or more cooperative research and development agreements under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) shall report to the Committee on National Security of the National Science and Technology Council and the Congress on the general policies and procedures used by that agency to gather and consider the views of other agencies on—

(1) joint work statements under section 12(c)(5) (C) or (D) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(5) (C) or (D)); or

(2) in the case of laboratories described in section 12(d)(2)(A) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2)(A)), cooperative research and development agreements under such section 12,

with respect to major proposed cooperative research and development agreements that involve critical national security technology or may have a significant impact on domestic or international competitiveness.

(b) PROCEDURES.—

(1) IN GENERAL.—Within 1 year after the date of the enactment of this Act, the Committee on National Security of the National Science and Technology Council, in conjunction with relevant Federal agencies and national laboratories, shall—

(A) determine the adequacy of existing procedures and methods for interagency coordination and awareness with respect to cooperative research and development agreements described in subsection (a); and

(B) establish and distribute to appropriate Federal agencies—

(i) specific criteria to indicate the necessity for gathering and considering the views of other agencies on joint work statements or cooperative research and development agreements as described in subsection (a); and

(ii) additional procedures, if any, for carrying out such gathering and considering of agency views with respect to cooperative research and development agreements described in subsection (a).

(2) PROCEDURE DESIGN.—Procedures established under this subsection shall be designed to the extent possible to—

(A) use or modify existing procedures;

(B) minimize burdens on Federal agencies;

(C) encourage industrial partnerships with national laboratories; and

(D) minimize delay in the approval or disapproval of joint work statements and cooperative research and development agreements.

(c) LIMITATION.—Nothing in this Act, nor any procedures established under this section shall provide to the Office of Science and Technology Policy, the National Science and Technology Council, or any Federal agency the authority to disapprove a cooperative research and development agreement or joint work statement, under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a), of another Federal agency.

SEC. 7. INCREASED FLEXIBILITY FOR FEDERAL LABORATORY PARTNERSHIP INTERMEDIARIES.

Section 23 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3715) is amended—

(1) in subsection (a)(1) by inserting '', institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), or educational institutions within the meaning of section 2194 of title 10, United States Code'' after ''small business firms''; and

(2) in subsection (c) by inserting'', institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), or educational institutions within the meaning of section 2194 of title 10, United Stats Code,'' after ''small business firms''.

SEC. 8. REPORTS ON UTILIZATION OF FEDERAL TECHNOLOGY.

(a) AGENCY ACTIVITIES.—Section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710) is amended—

(1) by striking the last sentence of subsection (b);

(2) by inserting after subsection (e) the following:

''(f) AGENCY REPORTS ON UTILIZATION.—

''(1) IN GENERAL.—Each Federal agency which operates or directs one or more Federal laboratories or which conducts activities under sections 207, 208, and 209 of title 35, United States Code, shall report annually to the Office of Management and Budget, as part of the agency's annual budget submission, on the activities performed by that agency and its Federal laboratories under the provisions of this section and of sections 207, 208, and 209 of title 35, United States Code.

''(2) CONTENTS.—The report shall include—

''(A) an explanation of the agency's technology transfer program for the preceding year and the agency's plans for conducting its technology transfer function for the upcoming year, including its plans for managing its intellectual property so as to advance the agency's mission and benefit the competitiveness of United States industry; and

''(B) information on technology transfer activities for the preceding year, including—

''(i) the number of patent applications filed;

''(ii) the number of patents received;

''(iii) the number of executed royalty-bearing licenses, both exclusive and non-exclusive, and the time elapsed from the date the license was requested to the date the license was issued;

''(iv) the total earned royalty income including such statistical information as the total earned royalty income of the top 1 percent, 5 percent, and 20 percent of the licenses, the range of royalty income, and the median;

''(v) the number of licenses terminated; and

''(vi) any other parameters or discussion that the agency deems relevant or unique to its practice of technology transfer.

''(3) COPY TO SECRETARY; CONGRESS.—The agency shall transmit a copy of the report to the Secretary of Commerce for inclusion in the annual report to Congress and the President as set forth in subsection (g)(2) below.

''(4) PUBLIC AVAILABILITY.—The agency is also strongly encouraged to make the required information available to the public through web sites or other electronic means.'';

(3) by striking subsection (g)(2) and inserting the following:

''(2) REPORTS.—

''(A) ANNUAL REPORT REQUIRED.—The Secretary shall submit each fiscal year, beginning one year after enactment of the Technology Transfer Commercialization Act of 1999, a summary report to the President and the Congress on the use by the agencies and the Secretary of the authorities specified in this Act and in sections 207, 208, and 209 of title 35, United States Code.

''(B) CONTENT.—The report shall—

''(i) draw upon the reports prepared by the agencies under subsection (f);

''(ii) discuss technology transfer best practices, lessons learned, and successful approaches in the licensing and transfer of technology in the context of the agencies' missions; and

''(iii) discuss the progress made toward development of useful measures of the outcomes of these programs.

''(C) PUBLIC AVAILABILITY.—The Secretary shall make the report available to the public through Internet websites or other electronic means.''; and

(4) by inserting after subsection (g) the following:

''(h) DUPLICATION OF REPORTING.—The reporting obligations imposed by this section—

''(1) are not intended to impose requirements that duplicate requirements imposed by the Government Performance and Results Act of 1993 (31 US.C. 1101 nt); and

''(2) are to be implemented in coordination with the implementation of that Act.''.

(b) ROYALTIES.—Section 14(c) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c(c)) is amended to read as follows:

''(c) REPORTS.—At least once every 5 years, beginning one year after enactment of the Technology Transfer Commercialization Act of 1999, the Comptroller General shall transmit a report to the appropriate committee of the Senate and House of Representatives on the effectiveness of the various programs in this Act, including findings, conclusions, and recommendations for improvements in such programs.''.

Mr. FRIST. Mr. President, I rise today to support the Technology Transfer Commercialization Act of 1999.

Technology transfer is a crucial link in the process that transforms research results into commercially viable products. The federal government's involvement in technology transfer arises naturally from its desire to encourage usage and commercialization of innovations resulting from federally-funded research. However, it is through further development, refinement, and marketing by the private sector that research results become diffused throughout the economy and generate growth. The private sector's active and timely participation in this process must be strongly encouraged if our competitiveness is to be enhanced.

Patents and licensing rights play key roles in the technology transfer process in that they provide strong economic incentives to industry. Studies have shown that research funding accounts for only 25 percent of the costs associated with bringing a new product to market. Increasingly, patent ownership is used as a means to recoup the investment through the incoming royalty stream. In addition, actual experience and studies concluded that if companies do not control the results of their investments, they are less likely to engage in related research and development.

Existing legislation encourages the transfer of technologies and closer collaborations between the Federal labs and industry by allowing the industry partners to obtain title to inventions that result from these collaborations. The Stevenson-Wydler Act and subsequent amendments created a framework to facilitate cooperative and development agreement (CRADAs) between industry and the Federal labs. The Bayh-Dole Act and subsequent amendments established policies for the licensing of federally-funded inventions.

The Technology Commercialization Act of 1999 improves upon both Stevenson-Wydler and Bayh-Dole by taking into consideration the increased competition in the marketplace. Provisions include streamlining the licensing procedure, and encouraging use of the electronic media to shorten the time requirements for public notice. This is in accordance with the fast pace required for doing business today. Other provisions include clarifications of criteria for granting any license, as well as exclusive and partially exclusive licenses.

Although technology transfer is important, such transfer should not compromise national security or substantially reduce competition in the marketplace. In response to these concerns, the Act requires the Office of Science and Technology Policy to study existing practices of CRADA creation in the agencies, and issue a report outlining review procedures for the creation of certain types of CRADAs.

The Act also lays the groundwork for a better understanding of the technology transfer process. Although there is consensus on the role of technology transfer in economic growth, there are no existing measures for understanding how much technology is transferred or how well the process works. Relevant questions include is the technology that is being transferred useful or successful, and are the inventions being produced in the federal labs relevant to the marketplace. As we transition into a knowledge-based economy, the management of knowledge movement will play a key role in sustaining our competitiveness.

In summary, technology transfer is crucial to our national economic growth. Therefore, both Senator Rockefeller and I ask for your support in enhancing our competitiveness and encouraging industry to work together with our federal agencies to create the best technologies possible.

ADDITIONAL COSPONSORS

S. 101

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 101, a bill to promote trade in United States agricultural commodities, livestock, and value-added products, and to prepare for future bilateral and multilateral trade negotiations.

S. 296

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 296, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 322

At the request of Mr. CAMPBELL, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 322, a bill to amend title 4, United States Code, to add the Martin Luther King Jr. holiday to the list of days on which the flag should especially be displayed.

S. 331

At the request of Mr. JEFFORDS, the name of the Senator from Montana (Mr. BURNS) 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 Connecticut (Mr. DODD) and the Senator from West Virginia (Mr. ROCKEFELLER) 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. 336

At the request of Mr. LEVIN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 336, a bill to curb deceptive and misleading games of chance mailings, to provide Federal agencies with additional investigative tools to police such mailings, to establish additional penalties for such mailings, and for other purposes.

S. 386

At the request of Mr. GORTON, the names of the Senator from Nebraska (Mr. HAGEL), the Senator from Vermont (Mr. LEAHY), the Senator from South Dakota (Mr. DASCHLE), the Senator from Indiana (Mr. BAYH) and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 386, a bill to amend the Internal Revenue Code of 1986 to provide for tax-exempt bond financing of certain electric facilities.

S. 398

At the request of Mr. CAMPBELL, the names of the Senator from Michigan (Mr. ABRAHAM) and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 398, a bill to require the Secretary of the Treasury to mint coins in commemoration of Native American history and culture.

S. 425

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 425, a bill to require the approval of Congress for the imposition of any new unilateral agricultural sanction, or any new unilateral sanction with respect to medicine, medical supplies, or medical equipment, against a foreign country.

S. 459

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 530

At the request of Mrs. MURRAY, her name was added as a cosponsor of S.