United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *106th* CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, NOVEMBER 5, 1999 *No. 155*

House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. PEASE).

NOTICE

If the 106th Congress, 1st Session, adjourns sine die on or before November 10, 1999, a final issue of the Congressional Record for the 106th Congress, 1st Session, will be published on November 30, 1999, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through November 29. The final issue will be dated November 30, 1999, and will be delivered on Wednesday, December 1, 1999.

If the 106th Congress does not adjourn until a later date in 1999, the final issue will be printed at a date to be announced.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman.*

NOTICE

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DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 5, 1999.

I hereby appoint the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Teach us, gracious God, that wherever we are, whatever we do, we will live with the spirit of gratitude for Your many blessings to us, and with appreciation for the colleagues and friends who surround us.

Remind us each day, O God, that since You have created the world and breathed into every woman and man the very breath of life, we should look upon others with tolerance and respect.

Open our eyes to see a vision of Your majesty, give us strong hands to work for justice, and may our hearts know Your peace and Your love. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 225. An act to provide Federal housing assistance to Native Hawaiians.

S. 438. An act to provide for the settlement of the water rights claims of the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes.

S. 720. An act to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and for other purposes.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes.

S. 1753. An act to amend the Immigration and Nationality Act to provide that an adopted alien who is less than 18 years of age may be considered a child under such act if adopted with or after a sibling who is a child under such act.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the ''John H. Chafee Coastal Barrier Resources System''.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 468) ''An Act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 5 one-minute requests per side.

ERGONOMIC STANDARDS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, if one is an employer, what are the eight most dreaded words in the English language? ''I am from OSHA and I am here to help.'' Recently the Occupational Safety and Health Administration said, we know enough to act now. We want to issue sweeping new and punitive ergonomic standards. OSHA plans to finalize its standards in the coming weeks unless Congress intervenes.

Mr. Speaker, it is time for Congress to intervene. OSHA refuses to wait for the results of the National Academy of Sciences study on the issue, a study which Congress recommended and funded in 1998. OSHA's regulations would impact nearly every industry, cost employers millions of dollars, and result in substantial increases in worker compensation costs due to the proposed 100 percent replacement of wages and benefits. These facts might very well have been uncovered by the National Academy of Sciences, but OSHA would not wait.

Mr. Speaker, along with dreaded words come dreaded policies and arrogance. I yield back the balance of my time and any common sense left at OSHA.

ON THE ANNIVERSARY OF THE FALL OF THE BERLIN WALL, AND THE PRICE OF FREEDOM

(Mr. MCNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCNULTY. Mr. Speaker, this week we celebrate the 224th birthday of the United States Marine Corps, and also we mark the anniversary of the tearing down of the Berlin Wall. These two events have a lot to do with each other. If we think of all of the wondrous things that have happened over the past 10 years, the collapse of the Communist system in Eastern Europe, the tearing down of the Berlin Wall, the break-up of the Soviet Union into individual democratic republics, we cannot help but reach the conclusion that freedom is not free. We paid a tremendous price for it.

I believe that we should remember every day that had it not been for the men and women who wore the uniform of the United States military through the years, we would not have the privilege of going around bragging about how we live in the freest and most open democracy on the face of the Earth.

So today when I think of these two great events, I give thanks to all of those who made the supreme sacrifice, and all of those who wore the uniform of the United States military. I start this day as I do every day, thanking God for my life and veterans for my way of life.

IN SUPPORT OF H.R. 3075, THE MEDICARE BALANCED BUDGET REFINEMENT ACT

(Mr. RYAN of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today in support of the Balanced Budget Refinement Act, H.R. 3075. This bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 under the Balanced Budget Act.

In the district that I serve, two Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting on this subject with the beneficiaries, with the Medicare+Choice providers, and with the government. The response was overwhelming.

Some of the beneficiaries decided that they were not going to lose without a fight. Joyce Scantling of Racine, Wisconsin, has worked tirelessly on this issue. Together with 50 or 60 seniors and beneficiaries, they have rallied support around Medicare legislation to fix these reimbursement rates.

I hold in my hand right here thousands of signatures from Wisconsin's seniors and Medicare beneficiaries urging Congress to pass Medicare legislation to fix these reimbursement rates.

THE EPA HAS GOTTEN OUT OF HAND

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in 1995, the EPA came crying to Congress saying they needed more money to clean up our air and our water and our Superfund sites. Shortly after that appeal for cash, records show that the EPA gave a $160,000 grant to facilitate wind energy technologies in China. Unbelievable. While American taxpayers are busting their buns to pay the bill around here, the EPA gave our hard-earned taxpayer dollars for projects in China.

Mr. Speaker, this is out of hand. Electric bicycle technology, wind energy technology, American taxpayer dollars? The EPA should be handcuffed. Beam me up. I yield back all the flatulence in China paid for by the EPA.

WHEN WILL THE REPUBLICANS RESPOND TO AMERICA'S DEMAND FOR HMO REFORM?

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, when the House passed a few weeks ago the HMO reform bill, we thought our day had finally come. But this week we learned that the vote was really only the first step. The Republican leadership appointed the conference committee to negotiate with the Senate with only one member who voted for HMO reform.

Instead of responding to the needs of the American people, the Republican leadership has chosen a path to ignore the will of the majority of this House and the needs of the American people.

This week's Newsweek magazine cover story talks about it: HMO Hell. How much longer does the Republican leadership intend to keep American families living in this HMO hell?

The bipartisan bill that passed this House overwhelmingly would provide for no gag rules, direct access to specialists, a binding external appeals process, access to emergency care, but also the accountability of that decisionmaker.

Let us see if we can make them hear, if not this year then next year. We want to get out of HMO hell.

CONGRATULATIONS TO MORNING EDITION ON ITS 20TH ANNIVERSARY

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, it is not often that I regret having not been included in a party here in town, but after having finished the financial modernization bill late last night and then about 1 o'clock this morning joining with my colleagues as we filed the rule which the gentleman from Florida (Mr. DIAZ-BALART) is going to be managing in just a few minutes, I woke up this morning and listened to National Public Radio, and there was a great party that was going on celebrating the 20th anniversary of a program called Morning Edition, which has provided us with a great deal of grist for debate and argument here on the House floor for the last couple of decades.

We are marking all kinds of anniversaries. My friend, the gentleman from New York (Mr. MCNULTY) just talked about the fact that yesterday was the 224th anniversary of the United States Marine Corps. We are about to mark the 10th anniversary of the crumbling of the Berlin Wall. One of the stories on Morning Edition this morning consisted of the death of Nicolae Ceausescu a decade ago, so we are marking a lot of anniversaries.

I would just like to throw in the fact that as a Republican who listens to National Public Radio, I congratulate Morning Edition on their 20th.

PROVIDING FOR CONSIDERATION OF H.R. 3196, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 362 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 362

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Young of Florida or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. House Resolution 359 is laid on the table.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 362 is a structured rule providing for the consideration of H.R. 3196, the foreign operations appropriations bill for fiscal year 2000. The bill provides for 1 hour of debate in the House, equally divided between the chairman and the ranking minority member of the Committee on Appropriations.

The rule provides that the bill shall be considered as having been read for amendment. Further, the rule provides that the amendment printed in the Committee on Rules report, if offered by the gentleman from Florida (Mr. YOUNG) or his designee shall be in order without intervention of any point of order or demand for a division of the question.

The amendment shall be considered as read, shall be separately debatable for the time specified in the report, which is 20 minutes, with time equally divided and controlled by the proponent and an opponent.

Also, the rule provides for one motion to recommit, with or without instructions. Finally, the rule provides that House Resolution 359 is laid on the table.

Mr. Speaker, the President vetoed H.R. 2606 on October 18. Since that time, very serious negotiations have taken place between the Congress and the administration to address the concerns raised in the President's veto message.

The bill which this rule brings forth, H.R. 3196, is very similar to the conference agreement on H.R. 2606, with some provisions added to make this bill one that can pass both the House, the Senate, and be signed by the President.

The main difference between today's bill and the vetoed bill are modifications of legislative language or earmarked funding within accounts. The rule allows for an amendment to be offered by the gentleman from Florida (Chairman YOUNG) or his designee which would fully fund, for example, the Wye River Accord, the President's request for the Wye River Accord, which is extremely important and which will go very far in assuring the security of Israel, by providing $1.8 billion approximately for that purpose.

I want to thank the gentleman from Florida (Chairman YOUNG), the gentleman from Alabama (Chairman CALLAHAN), the ranking member, the gentleman from Wisconsin (Mr. OBEY), and

the ranking member, the gentlewoman from California (Ms. PELOSI), and all of the Members who are working so hard in this issue. They are working in such good faith, and really in an admirable way. I want to congratulate them and urge my colleagues to adopt both the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is what we would call a restrictive rule. It will allow consideration of H.R. 3196, which is a bill that makes appropriations for foreign aid and export assistance in fiscal year 2000.

As my colleague, the gentleman from Florida (Mr. DIAZ-BALART) has explained, this rule provides for 1 hour of general debate, to be divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. This is the second foreign operations appropriation that the House is considering because the first was vetoed.

□ 0915

This bill makes a number of positive changes from the first bill. The rule for the bill is highly restrictive and it will not allow Members to offer floor amendments to improve the bill, except for one amendment by the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

The new bill, with the Young amendment, fully funds the President's request to implement the Wye River Agreement between Israel, Jordan and the Palestinian Authority. This will help, we think, bring peace to the Middle East.

The amended bill provides an additional $150 million to the International Development Association of the World Bank. This offers interest-free, long-term loans to the world's poorest countries. The amended bill also includes $10 million more than the original bill for the Peace Corps, and while the resulting total is still less than the President's request it is a welcome improvement for this most important tool of American diplomacy.

The bill also restores $90 million for bilateral debt relief. The 41 most indebted poor countries in the world owe a total of about $220 billion to foreign governments, such as the United States and to multilateral agencies such as the World Bank.

In some countries, the debt is staggering. For example, in Nicaragua, the debt for every man, woman and child is $2,000, in a country where the average yearly income is only $390.

This crushing debt is diverting valuable resources from health care, education and basic living conditions, and without debt relief many of these countries will be permanently locked into hopeless poverty.

Debt relief is the humane moral course. However, it is also in our own self-interest. Wiping out the debt can improve world stability and maintains incentives to protect the environment and to increase markets for U.S. products.

Debt relief is supported by a broad coalition of religious, humanitarian and civic organizations. Unfortunately, this revised bill does not provide a U.S. contribution to the highly indebted poor countries initiative trust fund. We need to support this fund if we want to provide more complete debt relief.

Mr. Speaker, while not perfect, the bill we are about to take up does contain welcome improvements to the version the President vetoed, and though the rule was overly restrictive I understand the need to move forward quickly and pass this important bill.

Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me the time.

Mr. Speaker, let me say that the bill that we are considering today is a far more responsible vehicle than the bill that the President vetoed just a few days ago. When the President vetoed that legislation, he indicated that he felt that it represented an absolutely inadequate response to both our international responsibilities and our national interests, and he asked that a number of actions be taken that would significantly improve the bill. To a significant degree they have in this bill, with the addition of the amendment that will be offered by my good friend, the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

First and foremost, when this bill left the House and the Senate and when it was vetoed by the President, it had no funding for the Middle East Wye Accords. The President had indicated he would not sign a bill until the Wye funding was included. We felt that since Israel had met its commitments under the Wye agreement, the United States ought to meet our commitments. This bill will do that, and I think the President is delighted with it. I know I am.

I think that people on both sides of the aisle who care about the United States meeting our responsibilities in that very sensitive region of the world will recognize that this is a very good investment for America, because it will help move the peace process forward in that region to a final resolution.

In addition to that, there is $799 million in additional funding for various accounts in the bill that had not been present initially. There is increased funding to deal with the threat reduction problem associated with nuclear weapons in the former Soviet Union. That is a very important addition, a welcome addition.

We cannot just recognize our responsibilities in the Middle East. We also need to recognize the treacherous issues that still remain between us and the former Soviet Union, and this will help do that.

In addition, we have obviously both interests and responsibilities in our own hemisphere. What this proposal will do is to increase our responsiveness on both of those matters by providing additional funding for the community adjustment investment program at the NAD Bank, which will help stabilize conditions on our borders between the United States and our southern neighbors.

In addition, there is, as has been indicated by the gentleman from Ohio (Mr. HALL), significant funding for bilateral African debt reduction. That is a moral imperative and it is very much in the interest of the United States, and what it really does is simply recognize the uncollectability of these debts.

I should point out that in two previous administrations, in the Reagan administration and the Bush administration, 35 times this amount of debt was forgiven, for Poland, for Israel, for Eastern Europe, for Egypt.

What this does is to provide the same actions for the most destitute countries, and we think that is a useful addition.

In addition, there is additional funding for the economic support fund, which the President insisted on getting, and he was right to do that.

So I think this bill is a much more constructive response than we had with the original bill.

We still have some problems, however, that have to be faced squarely. There are a number of drafting errors in the bill which are going to have to be corrected as this bill moves to the Senate. I also think there is at least one significant misunderstanding between the parties on an issue that has to be cleared up, and in addition to that the administration still is going to pursue, as we move this bill to the Senate and to conference, they are still going to pursue an effort to also include multilateral debt relief authority because if we do not do that we would be in the anomalous position of having American taxpayers finance debt relief for Africa without using our ability to leverage other countries in the world to do the same thing.

That would not be a wise decision if we are interested in seeing to it that we have rational burden-sharing between the American taxpayer and the taxpayers of other countries.

Dealing with our share of that debt write-down, which is about 3 percent, we do not want to lose the opportunity to leverage the other part of the world in meeting its responsibility for 97 percent of the action that needs to be taken. So in that sense, this bill is still short-sighted and needs to be corrected as we move through the process.

I hope that we will be able to do that by assuring that what multilateral debt write-down does take place, takes place on the basis of standards defined by the United States Congress and not by the IMF.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Wisconsin (Mr. OBEY), the gentlewoman from California (Ms. PELOSI), the gentleman from Florida (Mr. YOUNG), the gentleman from Alabama (Mr. CALLAHAN), and the White House for working out this compromise. It is not a perfect bill. None of our legislation is perfect, but this is a start in the right direction, and it is a much, much improved bill over even the bill that we were contemplating on voting on yesterday.

I think that as a Member of Congress, all of us have an obligation to educate our constituency about foreign assistance. A recent poll that I saw stated that most people in this country believe that out of the total Federal budget, somewhere between 22 and 28 percent of that budget goes for foreign assistance. The fact is, that is not true. The gentleman knows that, we know that, but somewhere along the line we need to educate our constituents and tell them that the foreign aid budget that we are really talking about today is like one-half of 1 percent of the total budget.

This is an improvement and certainly has our support, most of our support over here, and it is a good compromise. There is only one other thing to do, I think, on foreign assistance. It is not part of this legislation but it is a part of the priority package. Hopefully in another piece of legislation we will be able to pay our U.N. arrears. It is the just thing to do and the right thing to do. I urge the passage of this rule and the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), my chairman, the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

Mr. Speaker, I would like to say that contrary to arguments that have been made by people on the other side of the aisle, I am a Republican who stands here very proud to be an internationalist. I am an internationalist in what I consider to be the new millennium view of that.

I think that we have seen democratic expansion take place, with a small ''d,'' throughout the world, and we have to, as the world's only complete superpower, militarily, economically and geopolitically, we have to step up to the plate and take on our responsibility in doing that.

There is a lot of controversy that surrounds the issue of foreign aid. As my friend, the gentleman from Ohio (Mr. HALL) has just pointed out, the American people think that a quarter of the Federal budget goes towards foreign aid when we know that, in fact, it is minuscule and, in fact, in many ways it provides tremendous benefits right here at home in the United States, and we need to understand that.

So let me say that this is, I believe, a great example of the clash of ideas, and where there has been disagreement and ultimately we have come to bipartisan agreement, there are issues with which I am not in total agreement, I join the gentleman from Ohio (Mr. HALL) in saying that I hope we will be able to pay our U.N. arrears. I think that is an important priority that we should establish.

I also want to say that I am happy we were able to work out the Wye River Accord monies, and I believe that we can address some of the remaining concerns that will come before us on the debt question that my friend, the gentleman from Wisconsin (Mr. OBEY), has raised.

So I think that we have not a perfect measure but we have one which demonstrates that bipartisanship can work, and I am very proud of the fact that even though we went very late into the night that we are here, and I hope my colleagues will support this rule which calls for a bill that, as has been said, was an improvement over what we had and it allows for 20 minutes of debate on this very important Young amendment that will be offered.

With that, I urge my colleagues to support this measure.

Mr. WELLER. Mr. Speaker, I rise in support of this rule and I also support the amendment by Mr. YOUNG to fully fund the Wye aid package for Israel, Jordan, and the Palestinians.

The United States has an obligation to support our very loyal and only democratic ally in the Middle East, Israel. We have a key responsibility to work toward long term security for Israel and the Middle East. The United States and Israel have a special relationship. Israel embodies the values and ideals of America and Americans. The democratic values and interests are shared by both democracies.

Peace in the Middle East is an issue which is personally important to me. I have traveled to Israel 3 times in my Congressional career. I have monitored Palestinian elections with Jimmy Carter and have been honored to serve as co-chair of the House Republican Israel Caucus for two sessions.

By fully funding the Wye aid package, the United States will be doing it's part to promote stability in the Middle East. Israel is fully implementing the Wye River Agreement and will begin final talks with the Palestinians shortly. Israel is taking real risks for peace, and with the challenges that it will face in the coming weeks they must know that America stands with them.

Mr. YOUNG's amendment would have no net impact on the deficit in FY 2000. The outlays are offset by a reduction of $407 million in early disbursal for Israel's regular military assistance.

Congress can play a vital role in demonstrating America's commitment to Israel and to peace in the Middle East. With this legislation, we will be giving Israel the resources it needs to achieve its long deserved peace.

Mr. Speaker, I urge my colleagues to fully support the foreign Operations Appropriations Act and vote ''yes'' on the amendment to fully fund the Wye aid package.

Mr. DIAZ-BALART. Mr. Speaker, I also support the rule and urge my colleagues to vote for it.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 0930

Mr. YOUNG of Florida. Mr. Speaker, pursuant to House Resolution 362, the rule just adopted, I call up the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the bill is considered read for amendment.

The text of H.R. 3196 is as follows:

H.R. 3196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided,* That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of the enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $759,000,000 to remain available until September 30, 2003: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall remain available until September 30, 2018 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 2000, 2001, 2002, and 2003: *Provided further,* That none of the funds appropriated by this Act or any

prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further,* That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof: *Provided further,* Public Law 106–46 is amended by striking ''November 5, 1999'' and inserting ''March 1, 2000''.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $25,000 for official reception and representation expenses for members of the Board of Directors, $55,000,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further,* That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $35,000,000: *Provided further,* That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2000 and 2001: *Provided further,* That such sums shall remain available through fiscal year 2008 for the disbursement of direct and guaranteed loans obligated in fiscal year 2000, and through fiscal year 2009 for the disbursement of direct and guaranteed loans obligated in fiscal year 2001: *Provided further,* That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account: *Provided further,* That funds made available under this heading or in prior appropriations Acts that are available for the cost of financing under section 234 of the Foreign Assistance Act of 1961, shall be available for purposes of section 234(g) of such Act, to remain available until expended.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $44,000,000, to remain available until September 30, 2001: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2001, for necessary expenses under this paragraph: *Provided further,* That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2000, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, $715,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to $98,000,000 for basic education programs for children: *Provided further,* That none of the funds appropriated under this heading may be made available for nonproject assistance for health and child survival programs, except that funds may be made available for such assistance for ongoing health programs: *Provided further,* That $35,000,000 shall be available only for the HIV/AIDS programs requested under this heading in House Document 106–101.

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,228,000,000, to remain available until September 30, 2001: *Provided,* That of the amount appropriated under this heading, up to $5,000,000 may be made available for and apportioned directly to the Inter-American Foundation: *Provided further,* That of the amount appropriated under this heading, up to $14,400,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further,* That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further,* That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report containing a description of such violation and the corrective action taken by the Agency: *Provided further,* That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural

family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, $2,500,000 may be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development (IFAD): *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES): *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading not less than $500,000 should be made available for support of the United States Telecommunications Training Institute: *Provided further*, That, of the funds appropriated by this Act for the Microenterprise Initiative (including any local currencies made available for the purposes of the Initiative), not less than one-half should be made available for programs providing loans of less than $300 to very poor people, particularly women, or for institutional support of organizations primarily engaged in making such loans.

CYPRUS

Of the funds appropriated under the headings ''Development Assistance'' and ''Economic Support Fund'', not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

LEBANON

Of the funds appropriated under the headings ''Development Assistance'' and ''Economic Support Fund'', not less than $15,000,000 should be made available for Lebanon to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon.

BURMA

Of the funds appropriated under the headings ''Economic Support Fund'' and ''Development Assistance'', not less than $6,500,000 shall be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma: *Provided*, That funds made available for Burma-related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That the provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the Administrator of the Agency for International Development may, on a case-by-case basis, waive the restriction contained in this paragraph, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $175,880,000, to remain available until expended: *Provided*, That the Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to providing assistance through the Office of Transition Initiatives for a country that did not receive such assistance in fiscal year 1999.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2001.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For administrative expenses to carry out guaranteed loan programs, $5,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

DEVELOPMENT CREDIT AUTHORITY PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, up to $3,000,000 to be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, as amended, and funds appropriated by this Act under the heading, ''ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES'', to remain available until expended, as authorized by section 635 of the Foreign Assistance Act of 1961: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That for administrative expenses to carry out the direct and guaranteed loan programs, up to $500,000 of this amount may be transferred to and merged with the appropriation for ''Operating Expenses of the Agency for International Development'': *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $43,837,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $495,000,000: *Provided*, That, none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: *Provided further*, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed $1,000,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $25,000,000, to remain available until September 30, 2001, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,177,000,000, to remain available until September 30, 2001: *Provided*, That of the funds appropriated under this heading, not less than $960,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999, whichever is later: *Provided further*, That not less than $735,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than $150,000,000 should be made available for assistance for Jordan:

Provided further, That notwithstanding any other provision of law, not to exceed $11,000,000 may be used to support victims of and programs related to the Holocaust: *Provided further,* That notwithstanding any other provision of law, of the funds appropriated under this heading, $1,000,000 shall be made available to nongovernmental organizations located outside of the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): *Provided,* That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further,* That funds made available under this heading shall remain available until September 30, 2001.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $535,000,000, to remain available until September 30, 2001, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: *Provided,* That of the funds appropriated under this heading not less than $150,000,000 should be made available for assistance for Kosova: *Provided further,* That of the funds made available under this heading and the headings ''International Narcotics Control and Law Enforcement'' and ''Economic Support Fund'', not to exceed $130,000,000 shall be made available for Bosnia and Herzegovina: *Provided further,* That none of the funds made available under this heading for Kosova shall be made available until the Secretary of State certifies that the resources pledged by the United States at the upcoming Kosova donors conference and similar pledging conferences shall not exceed 15 percent of the total resources pledged by all donors: *Provided further,* That none of the funds made available under this heading for Kosova shall be made available for large scale physical infrastructure reconstruction.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

(e) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(f) The provisions of section 532 of this Act shall apply to funds made available under subsection (e) and to funds appropriated under this heading.

(g) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, $735,000,000, to remain available until September 30, 2001: *Provided,* That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further,* That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: *Provided further,* That of the funds made available for the Southern Caucasus region, 15 percent should be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh: *Provided further,* That of the amounts appropriated under this heading not less than $20,000,000 shall be made available solely for the Russian Far East: *Provided further,* That of the funds made available under this heading $10,000,000 shall be made available for salaries and expenses to carry out the Russian Leadership Program enacted on May 21, 1999 (113 Stat. 93 et seq.).

(b) Of the funds appropriated under this heading, not less than $180,000,000 should be made available for assistance for Ukraine.

(c) Of the funds appropriated under this heading, not less than 12.92 percent shall be made available for assistance for Georgia.

(d) Of the funds appropriated under this heading, not less than 12.2 percent shall be made available for assistance for Armenia.

(e) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

(f) Of the funds made available under this heading for nuclear safety activities, not to exceed 9 percent of the funds provided for any single project may be used to pay for management costs incurred by a United States national lab in administering said project.

(g) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region.

(h) Of the funds appropriated under title II of this Act not less than $12,000,000 should be made available for assistance for Mongolia of which not less than $6,000,000 should be made available from funds appropriated under this heading: *Provided,* That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(i)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases and child survival activities; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(j) None of the funds appropriated under this heading may be made available for the Government of the Russian Federation, until the Secretary of State certifies to the Committees on Appropriations that: (1) Russian armed and peacekeeping forces deployed in Kosova have not established a separate sector of operational control; and (2) any Russian armed forces deployed in Kosova are operating under NATO unified command and control arrangements.

(k) Of the funds appropriated under this heading and in prior acts making appropriations for foreign operations, export financing, and related programs, not less than $241,000,000 shall be made available for expanded nonproliferation and security cooperation programs under section 503 and 511 of the FREEDOM Support Act and section 1424 of Public Law 104–201.

(l) Of the funds appropriated under this title, not less than $14,700,000 shall be made available for maternal and neo-natal health activities in the independent states of the former Soviet Union, of which at least 60 percent should be made available for the preventive care and treatment of mothers and infants in Russia.

INDEPENDENT AGENCY

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), $235,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside

of the United States: *Provided,* That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further,* That funds appropriated under this heading shall remain available until September 30, 2001.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $285,000,000, of which $21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided,* That of this amount not less than $10,000,000 should be made available for Law Enforcement Training and Demand Reduction: *Provided further,* That any funds made available under this heading for anti-crime programs and activities shall be made available subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That during fiscal year 2000, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That in addition to any funds previously made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere, not less than $5,000,000 shall be made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere at the deBremmond Training Center in Roswell, New Mexico.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $625,000,000, of which $21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided,* That not more than $13,800,000 shall be available for administrative expenses: *Provided further,* That not less than $60,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $12,500,000, to remain available until expended: *Provided,* That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Act which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $181,600,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided,* That the Secretary of State shall inform the Committees on Appropriations at least 20 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further,* That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further,* That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further,* That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further,* That of the funds appropriated under this heading, $35,000,000 should be made available for demining, clearance of unexploded ordnance, and related activities: *Provided further,* That of the funds made available for demining and related activities, not to exceed $500,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), $1,500,000, to remain available until expended, which shall be available nowithstanding and other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign Assistance Act of 1961 (including up to $1,000,000 for necessary expenses for the administration of activities carried out under these parts), and of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements with any country in Sub-Saharan Africa, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461), $33,000,000, to remain available until expended: *Provided,* That of this amount, not less than $13,000,000 shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961: *Provided,* That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 to the extent that limitation applies to sub-Saharan African countries shall not apply to funds appropriated hereunder or previously appropriated under this heading: *Provided further,* That the authority provided by section 572 of Public Law 100–461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $50,000,000, of which up to $1,000,000 may remain available until expended: *Provided,* That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further,* That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further,* That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel: *Provided further,* That the Secretary of Defense shall submit to the Committees on Appropriations, no later than January 15, 2000, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997 and 1998.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,420,000,000: *Provided,* That of the funds appropriated under this heading, not less than $1,920,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt: *Provided further,* That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999,

whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than $75,000,000 should be available for assistance for Jordan: *Provided further*, That of the funds appropriated by this paragraph, not less than $7,000,000 shall be made available for assistance for Tunisia: *Provided further*, That during fiscal year 2000, the President is authorized to, and shall, direct the drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than $4,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961 and any amount so directed shall count toward meeting the earmark in the preceding proviso: *Provided further*, That of the funds appropriated by this paragraph up to $1,000,000 should be made available for assistance for Ecuador and shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than $30,495,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than $330,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2000 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: *Provided further*, That not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall report to the Committees on Appropriations regarding the appropriate host institution to support and advance the efforts of the Defense Institute for International and Legal Studies in both legal and political education: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $78,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, $35,800,000, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $625,000,000, to remain available until expended.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, $4,000,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $20,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,728,263, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $672,745,205.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asia Development Bank Act, as amended, $77,000,000, to remain available until expended, for contributions previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $78,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $170,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than $5,000,000 should be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act

of 1961: *Provided*, That none of the funds appropriated by title II of this Act may be transferred by the Agency for International Development directly to an international financial institution (as defined in section 533 of this Act) for the purpose of repaying a foreign country's loan obligations to such institution.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected head of government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 2000, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 2000.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds

made available under this Act for ''Child Survival and Disease Programs Fund'', ''Development Assistance'', ''International Organizations and Programs'', ''Trade and Development Agency'', ''International Narcotics Control and Law Enforcement'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping Operations'', ''Operating Expenses of the Agency for International Development'', ''Operating Expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peace Corps'', and ''Migration and Refugee Assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2001.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be subject to the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the headings ''Assistance for the New Independent States of the Former Soviet Union'' and ''Assistance for the Independent States of the Former Soviet Union'', for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2000, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, ''program, project, and activity'' shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND DISEASE PREVENTION ACTIVITIES

SEC. 522. Up to $10,000,000 of the funds made available by this Act for assistance under the heading ''Child Survival and Disease Programs Fund'', may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out child survival, basic education, and infectious disease activities: *Provided*, That up to $1,500,000 of the funds made available by this Act for assistance under the heading ''Development Assistance'' may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, Acquired Immune Deficiency Syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 526. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for ''Economic Support Fund'' may be made available to provide general support and grants for nongovernmental organizations located outside the People's Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country, except that funds appropriated by this Act under the heading ''Economic Support Fund'' that are made available for the National Endowment for Democracy or its grantees may be made available for activities to foster democracy in that country notwithstanding this proviso and any other provision of law: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law that restricts assistance to foreign countries, of the funds appropriated by this Act under the heading ''Economic Support Fund'', $1,000,000 shall be made available to the Robert F. Kennedy Memorial Center for Human Rights for a project to disseminate information and support research about the People's Republic of China, and related activities.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 530. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States

Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 534. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AUTHORITIES FOR THE PEACE CORPS, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 535. (a) Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

(b) Unless expressly provided to the contrary, limitations on the availability of funds for ''International Organizations and Programs'' in this or any other Act, including prior appropriations Acts, shall not be construed to be applicable to the International Fund for Agricultural Development.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 536. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

FUNDING PROHIBITION FOR SERBIA

SEC. 537. None of the funds appropriated by this Act may be made available for assistance for the Republic of Serbia: *Provided*, That this restriction shall not apply to assistance for Kosova or Montenegro, or to assistance to promote democratization: *Provided further*, That section 620(t) of the Foreign Assistance Act of 1961, as amended, shall not apply to Kosova or Montenegro.

SPECIAL AUTHORITIES

SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 539. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 540. Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 541. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading ''Assistance for Eastern Europe and the Baltic States'': *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2000, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 542. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 543. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 544. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: *Provided*, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 545. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the sense of the Congress that, to the greatest extent practicable, all agriculture commodities, equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

(d) The Secretary of the Treasury shall report to Congress annually on the efforts of the heads of each Federal agency and the United States directors of international financial institutions (as referenced in section 514) in complying with this sense of Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 546. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

CONSULTING SERVICES

SEC. 547. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 548. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 550. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of the enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 551. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That 60 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 553. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: *Provided*, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C., 2778 note) is amended by striking out ''During the five-year period beginning on October 23, 1992'' and inserting in lieu thereof ''During the eleven-year period beginning on October 23, 1992''.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 554. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 555. None of the funds appropriated or otherwise made available by this Act under the headings ''International Military Education and Training'' or ''Foreign Military Financing Program'' for Informational Program activities or under the headings ''Child Survival and Disease Programs Fund'', ''Development Assistance'', and ''Economic Support Fund'' may be obligated or expended to pay for—

(1) alcoholic beverages; or

(2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 556. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 557. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;

(2) credits extended or guarantees issued under the Arms Export Control Act; or

(3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501).

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief ad referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

ASSISTANCE FOR HAITI

SEC. 559. (a) POLICY.—In providing assistance to Haiti, the President should place a priority on the following areas:

(1) aggressive action to support the Haitian National Police, including support for efforts by the Inspector General to purge corrupt and politicized elements from the Haitian National Police;

(2) steps to ensure that any elections undertaken in Haiti with United States assistance are full, free, fair, transparent, and democratic;

(3) support for a program designed to develop an indigenous human rights monitoring capacity;

(4) steps to facilitate the continued privatization of state-owned enterprises;

(5) a sustainable agricultural development program; and

(6) establishment of an economic development fund for Haiti to provide long-term, low interest loans to United States investors and businesses that have a demonstrated commitment to, and expertise in, doing business in Haiti, in particular those businesses present in Haiti prior to the 1994 United Nations embargo.

(b) REPORT.—Beginning 6 months after the date of the enactment of this Act, and 6 months thereafter until September 30, 2001, the President shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives with regard to—

(1) the status of each of the governmental institutions envisioned in the 1987 Haitian Constitution, including an assessment of the extent to which officials in such institutions hold their positions on the basis of a regular, constitutional process;

(2) the status of the privatization (or placement under long-term private management or concession) of the major public entities, including a detailed assessment of the extent to which the Government of Haiti has completed all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants from such facilities;

(3) the status of efforts to re-sign and implement the lapsed bilateral Repatriation Agreement and an assessment of the extent to which the Government of Haiti has been cooperating with the United States in halting illegal emigration from Haiti;

(4) the status of the Government of Haiti's efforts to conduct thorough investigations of extrajudicial and political killings and—

(A) an assessment of the progress that has been made in bringing to justice the persons responsible for these extrajudicial or political killings in Haiti; and

(B) an assessment of the extent to which the Government of Haiti is cooperating with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations;

(5) an assessment of actions taken by the Government of Haiti to remove and maintain the separation from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity or unit of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights;

(6) the status of steps being taken to secure the ratification of the maritime counter-narcotics agreements signed October 1997;

(7) an assessment of the extent to which domestic capacity to conduct free, fair, democratic, and administratively sound elections has been developed in Haiti; and

(8) an assessment of the extent to which Haiti's Minister of Justice has demonstrated a commitment to the professionalism of judicial personnel by consistently placing students graduated by the Judicial School in appropriate judicial positions and has made a commitment to share program costs associated with the Judicial School, and is achieving progress in making the judicial branch in Haiti independent from the executive branch.

(c) EQUITABLE ALLOCATION OF FUNDS.—Not more than 17 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 560. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1999.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term ''United States assistance'' has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 561. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term ''United States person'' refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

HAITI

SEC. 562. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 563. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 564. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 565. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the items will not be used in East Timor.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 566. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or municipality described in subsection (e).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (e).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (e), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term ''international financial institution'' includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or municipality and a nonsanctioned contiguous country, entity, or municipality, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or municipality and if the portion of the project located in the sanctioned country, entity, or municipality is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement;

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity; or

(H) assistance to the International Police Task Force for the training of a civilian police force.

(2) NOTIFICATION.—Every 60 days the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register and/or in a comparable publicly accessible document or Internet site, a listing and justification of any assistance that is obligated within that period of time for any country, entity, or municipality described in subsection (e), including a description of the purpose of the assistance, project and its location, by municipality.

(d) FURTHER LIMITATIONS.—Notwithstanding subsection (c)—

(1) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or municipality described in subsection (e), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(2) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or municipality described in subsection (e) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(e) SANCTIONED COUNTRY, ENTITY, OR MUNICIPALITY.—A sanctioned country, entity, or municipality described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(f) SPECIAL RULE.—Subject to subsection (d), subsections (a) and (b) shall not apply to the provision of assistance to an entity that is not a sanctioned entity, notwithstanding that such entity may be within a sanctioned country, if the Secretary of State determines and so reports to the appropriate congressional committees that providing assistance to that entity would promote peace and internationally recognized human rights by encouraging that entity to cooperate fully with the Tribunal.

(g) CURRENT RECORD OF WAR CRIMINALS AND SANCTIONED COUNTRIES, ENTITIES, AND MUNICIPALITIES.—

(1) IN GENERAL.—The Secretary of State shall establish and maintain a current record of the location, including the municipality, if known, of publicly indicted war criminals and a current record of sanctioned countries, entities, and municipalities.

(2) INFORMATION OF THE DCI AND THE SECRETARY OF DEFENSE.—The Director of Central Intelligence and the Secretary of Defense should collect and provide to the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals.

(3) INFORMATION OF THE TRIBUNAL.—The Secretary of State shall request that the Tribunal and other international organizations and governments provide the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals and concerning country, entity and municipality authorities known to have obstructed the work of the Tribunal.

(4) REPORT.—Beginning 30 days after the date of the enactment of this Act, and not later than September 1 each year thereafter, the Secretary of State shall submit a report in classified and unclassified form to the appropriate congressional committees on the location, including the municipality, if known, of publicly indicted war criminals, on country, entity and municipality authorities known to have obstructed the work of the Tribunal, and on sanctioned countries, entities, and municipalities.

(5) INFORMATION TO CONGRESS.—Upon the request of the chairman or ranking minority member of any of the appropriate congressional committees, the Secretary of State shall make available to that committee the information recorded under paragraph (1) in a report submitted to the committee in classified and unclassified form.

(h) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or municipality upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (1) the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(i) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or municipality have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

(j) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term ''country'' means Bosnia-Herzegovina, Croatia, and Serbia.

(2) ENTITY.—The term ''entity'' refers to the Federation of Bosnia and Herzegovina, Kosova, Montenegro, and the Republika Srpska.

(3) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(4) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

(k) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (e).

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF THE RUSSIAN FEDERATION SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 567. None of the funds appropriated under this Act may be made available for the Government of the Russian Federation, after 180 days from the date of the enactment of this Act, unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

GREENHOUSE GAS EMISSIONS

SEC. 568. (a) Funds made available in this Act to support programs or activities the primary purpose of which is promoting or assisting country participation in the Kyoto Protocol to the Framework Convention on Climate Change (FCCC) shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The President shall provide a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international obligations for such activities in fiscal year 2000, and any plan for programs thereafter related to the implementation or the furtherance of protocols pursuant to, or related to negotiations to amend the FCCC in conjunction with the President's submission of the Budget of the United States Government for Fiscal Year 2001: *Provided*, That such report shall include an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix: *Provided further*, That such report shall identify with regard to the Agency for International Development, obligations and expenditures by country or central program and activity.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 569. Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking ''1996 and 1997'' and inserting ''1999 and 2000''.

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 570. None of the funds appropriated or otherwise made available by this Act may be provided to the Central Government of the Democratic Republic of Congo.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 571. Of the funds appropriated in titles II and III of this Act under the headings ''Economic Support Fund'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peacekeeping Operations'', for refugees resettling in Israel under the heading ''Migration and Refugee Assistance'', and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading ''Nonproliferation, Anti-Terrorism, Demining and Related Programs'', not more than a total of $5,321,150,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of the enactment of this Act obligated or allocated for other recipients may not during fiscal year 2000 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 572. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 573. (a) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to support basic human needs.

(b) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia.

CUSTOMS ASSISTANCE

SEC. 574. Section 660(b) of the Foreign Assistance Act of 1961 is amended by—

(1) striking the period at the end of paragraph (6) and in lieu thereof inserting a semicolon; and

(2) adding the following new paragraph:

''(7) with respect to assistance provided to customs authorities and personnel, including training, technical assistance and equipment, for customs law enforcement and the improvement of customs laws, systems and procedures.''.

FOREIGN MILITARY TRAINING REPORT

SEC. 575. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by March 1, 2000, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 1999 and 2000, including those proposed for fiscal year 2000. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 576. (a) Of the funds made available under the heading ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', not to exceed $35,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as ''KEDO''), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework.

(b) Of the funds made available for KEDO, up to $15,000,000 may be made available prior to June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the parties to the Agreed Framework have taken and continue to take demonstrable steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula in which the Government of North Korea has committed not to test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons, and not to possess nuclear reprocessing or uranium enrichment facilities;

(2) the parties to the Agreed Framework have taken and continue to take demonstrable steps to pursue the North-South dialogue;

(3) North Korea is complying with all provisions of the Agreed Framework;

(4) North Korea has not diverted assistance provided by the United States for purposes for which it was not intended; and

(5) North Korea is not seeking to develop or acquire the capability to enrich uranium, or any additional capability to reprocess spent nuclear fuel.

(c) Of the funds made available for KEDO, up to $20,000,000 may be made available on or after June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the effort to can and safely store all spent fuel from North Korea's graphite-moderated nuclear reactors has been successfully concluded;

(2) North Korea is complying with its obligations under the agreement regarding access to suspect underground construction;

(3) North Korea has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons; and

(4) the United States has made and is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and its ballistic missile exports.

(d) The President may waive the certification requirements of subsections (b) and (c) if the President determines that it is vital to the national security interests of the United States and provides written policy justifications to the appropriate congressional committees prior to his exercise of such waiver. No funds may be obligated for KEDO until 30 days after submission to Congress of such waiver.

(e) The Secretary of State shall submit to the appropriate congressional committees a report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year 2001 request for the United States contribution to KEDO, the expected operating budget of the KEDO, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

AFRICAN DEVELOPMENT FOUNDATION

SEC. 577. Funds made available to grantees of the African Development Foundation may

be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both prior to and following enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committees on Appropriations in advance of exercising such waiver authority.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 578. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

VOLUNTARY SEPARATION INCENTIVES FOR EMPLOYEES OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 579. (a) DEFINITIONS.—For the purposes of this section—

(1) the term ''agency'' means the United States Agency for International Development;

(2) the term ''Administrator'' means the Administrator, United States Agency for International Development; and

(3) the term ''employee'' means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency, is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is to be separated involuntarily for misconduct or unacceptable performance, and to whom specific notice has been given with respect to that separation;

(D) an employee who has previously received any voluntary separation incentive payment by the Government of the United States under this section or any other authority and has not repaid such payment;

(E) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(F) any employee who, during the 24-month period preceding the date of separation, received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of such title 5.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The Administrator, before obligating any resources for voluntary separation incentive payments under this section, shall submit to the Committees on Appropriations and the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered;

(C) a description of how the agency will operate without the eliminated positions and functions; and

(D) the time period during which incentives may be paid.

(3) APPROVAL.—The Director of the Office of Management and Budget shall review the agency's plan and approve or disapprove the plan and may make appropriate modifications in the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraphs (2) (B) through (D).

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by the agency to employees of such agency and only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment under this section—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(ii) an amount determined by the agency head not to exceed $25,000;

(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) on or before December 31, 2000;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term ''final basic pay'', with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—

(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the Government of the United States through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for the position.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) REGULATIONS.—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

IRAQ OPPOSITION

SEC. 580. Notwithstanding any other provision of law, of the funds appropriated under the heading ''Economic Support Fund'', $10,000,000 shall be made available to support efforts to bring about political transition in Iraq, of which not less than $8,000,000 shall be made available only to Iraqi opposition groups designated under the Iraq Liberation Act (Public Law 105–338) for political, economic, humanitarian, and other activities of such groups, and not more than $2,000,000 may be made available for groups and activities seeking the prosecution of Saddam Hussein and other Iraqi government officials for war crimes.

AGENCY FOR INTERNATIONAL DEVELOPMENT BUDGET SUBMISSION

SEC. 581. Beginning with the fiscal year 2001 budget, the Agency for International Development shall submit to the Committees on Appropriations a detailed budget for each fiscal year. The Agency shall submit to the Committees on Appropriations a proposed budget format no later than October 31, 1999, or 30 days after the enactment of this Act, whichever occurs later. The proposed format shall include how the Agency's budget submission will address: estimated levels of obligations for the current fiscal year and actual levels for the two previous fiscal years; the President's request for new budget authority and estimated carryover obligational authority for the budget year; the disaggregation of budget data by program and activity for each bureau, field mission, and central office; and staff levels identified by program.

AMERICAN CHURCHWOMEN IN EL SALVADOR

SEC. 582. (a) Information relevant to the December 2, 1980 murders of four American churchwomen in El Salvador shall be made public to the fullest extent possible.

(b) The Secretary of State and the Department of State are to be commended for fully releasing information regarding the murders.

(c) The President shall order all Federal agencies and departments that possess relevant information to make every effort to declassify and release to the victims' families relevant information as expeditiously as possible.

(d) In making determinations concerning the declassification and release of relevant information, the Federal agencies and departments shall presume in favor of releasing, rather than of withholding, such information.

(e) Not later than 45 days after the date of the enactment of this Act, the Attorney General shall provide a report to the Committees on Appropriations describing in detail the circumstances under which individuals involved in the murders or the cover-up of the murders obtained residence in the United States.

KYOTO PROTOCOL

SEC. 583. None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol, which was adopted on December 11, 1997, in Kyoto, Japan, at the Third Conference of the Parties to the United States Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol.

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 584. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by striking the following: ''$50,000,000 for each of the fiscal years 1996 and 1997, $60,000,000 for fiscal year 1998, and'' and inserting in lieu thereof before the period at the end, the following: ''and $60,000,000 for fiscal year 2000''.

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by striking the following: ''Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand. Of the amount specified in subparagraph (A) for fiscal year 1998, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''; and at the end inserting the following sentence: ''Of the amount specified in subparagraph (A) for fiscal year 2000, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''.

RUSSIAN LEADERSHIP PROGRAM

SEC. 585. Section 3011 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31; 113 Stat. 93) is amended—

(1) by striking ''fiscal year 1999'' in subsections (a)(1), (b)(4)(B), (d)(3), and (h)(1)(A) and inserting ''fiscal years 1999 and 2000''; and

(2) by striking ''2000'' in subsection (a)(2), (e)(1), and (h)(1)(B) and inserting ''2001''.

ABOLITION OF THE INTER-AMERICAN FOUNDATION

SEC. 586. (a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.

(2) FOUNDATION.—The term ''Foundation'' means the Inter-American Foundation.

(3) FUNCTION.—The term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(b) ABOLITION OF INTER-AMERICAN FOUNDATION.—During fiscal year 2000, the President is authorized to abolish the Inter-American Foundation. The provisions of this section shall only be effective upon the effective date of the abolition of the Inter-American Foundation.

(c) TERMINATION OF FUNCTIONS.—

(1) Except as provided in subsection (d)(2), there are terminated upon the abolition of the Foundation all functions vested in, or exercised by, the Foundation or any official thereof, under any statute, reorganization plan, Executive order, or other provisions of law, as of the day before the effective date of this section.

(2) REPEAL.—Section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 6290f) is repealed upon the effective date specified in subsection (j).

(3) FINAL DISPOSITION OF FUNDS.—Upon the date of transmittal to Congress of the certification described in subsection (d)(4), all unexpended balances of appropriations of the Foundation shall be deposited in the miscellaneous receipts account of the Treasury of the United States.

(d) RESPONSIBILITIES OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall be responsible for—

(A) the administration and wind-up of any outstanding obligation of the Federal Government under any contract or agreement entered into by the Foundation before the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, except that the authority of this subparagraph does not include the renewal or extension of any such contract or agreement; and

(B) taking such other actions as may be necessary to wind-up any outstanding affairs of the Foundation.

(2) TRANSFER OF FUNCTIONS TO THE DIRECTOR.—There are transferred to the Director such functions of the Foundation under any statute, reorganization plan, Executive order, or other provision of law, as of the day before the date of the enactment of this section, as may be necessary to carry out the responsibilities of the Director under paragraph (1).

(3) AUTHORITIES OF THE DIRECTOR.—For purposes of performing the functions of the Director under paragraph (1) and subject to the availability of appropriations, the Director may—

(A) enter into contracts;

(B) employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem rate equivalent to the rate for level IV of the Executive Schedule; and

(C) utilize, on a reimbursable basis, the services, facilities, and personnel of other Federal agencies.

(4) CERTIFICATION REQUIRED.—Whenever the Director determines that the responsibilities described in paragraph (1) have been fully discharged, the Director shall so certify to the appropriate congressional committees.

(e) REPORT TO CONGRESS.—The Director of the Office of Management and Budget shall submit to the appropriate congressional committees a detailed report in writing regarding all matters relating to the abolition and termination of the Foundation. The report shall be submitted not later than 90 days after the termination of the Foundation.

(f) TRANSFER AND ALLOCATION OF APPROPRIATIONS.—Except as otherwise provided in this section, the assets, liabilities (including contingent liabilities arising from suits continued with a substitution or addition of parties under subsection (g)(3)), contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions, terminated by subsection (c)(1) or transferred by subsection (d)(2) shall be transferred to the Director for purposes of carrying out the responsibilities described in subsection (d)(1).

(g) SAVINGS PROVISIONS.—

(1) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the Foundation in the performance of functions that are terminated or transferred under this section; and

(B) that are in effect as of the date of the abolition of the Foundation, or were final before such date and are to become effective on or after such date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) NO EFFECT ON JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.—Except as otherwise provided in this section—

(A) the provisions of this section shall not affect suits commenced prior to the date of abolition of the Foundation; and

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(3) NONABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of the Foundation shall abate by reason of the enactment of this section. No cause of action by or against the Foundation, or by or against any officer thereof in the official capacity of such officer, shall abate by reason of the enactment of this section.

(4) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date of the abolition of the Foundation, the Foundation, or officer thereof in the official capacity of such officer, is a party to a suit, then effective on such date such suit shall be continued with the Director substituted or added as a party.

(5) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Director in the exercise of functions terminated or transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Foundation immediately preceding their termination or transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this section shall apply to the exercise of such function by the Director.

(h) CONFORMING AMENDMENTS.—

(1) AFRICAN DEVELOPMENT FOUNDATION.—Section 502 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 290h) is amended—

(A) by inserting ''and'' at the end of paragraph (2);

(B) by striking the semicolon at the end of paragraph (3) and inserting a period; and

(C) by striking paragraphs (4) and (5).

(2) SOCIAL PROGRESS TRUST FUND AGREEMENT.—Section 36 of the Foreign Assistance Act of 1973 is amended—

(A) in subsection (a)—

(i) by striking ''provide for'' and all that follows through ''(2) utilization'' and inserting ''provide for the utilization''; and

(ii) by striking ''member countries;'' and all that follows through ''paragraph (2)'' and inserting ''member countries.'';

(B) in subsection (b), by striking ''transfer or'';

(C) by striking subsection (c);

(D) by redesignating subsection (d) as subsection (c); and

(E) in subsection (c) (as so redesignated), by striking ''transfer or''.

(3) FOREIGN ASSISTANCE ACT OF 1961.—Section 222A(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182a(d)) is repealed.

(i) DEFINITION.—In this section, the term ''appropriate congressional committees'' means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

(j) EFFECTIVE DATES.—The repeal made by subsection (c)(2) and the amendments made by subsection (h) shall take effect upon the date of transmittal to Congress of the certification described in subsection (d)(4).

WEST BANK AND GAZA PROGRAM

SEC. 587. For fiscal year 2000, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading ''Economic Support Fund'' for the West Bank and Gaza.

HUMAN RIGHTS ASSISTANCE

SEC. 588. Of the funds made available under the heading ''International Narcotics Control and Law Enforcement'', up to $500,000 should be made available to support the activities of Colombian nongovernmental organizations involved in human rights monitoring.

INDONESIA REPORTING REQUIREMENT

SEC. 589. Notwithstanding any other provision of this Act, none of the funds appropriated under the headings ''Economic Support Fund'', ''International Military Education and Training'', or ''Foreign Military Financing Program'' may be obligated for Indonesia unless the Committees on Appropriations are advised in writing 20 days prior to each such proposed obligation.

MAN AND THE BIOSPHERE

SEC. 590. None of the funds appropriated or otherwise made available by this Act may be provided for the United Nations Man and the Biosphere Program or the United Nations World Heritage Fund.

IMMUNITY OF FEDERAL REPUBLIC OF YUGOSLAVIA

SEC. 591. (a) Subject to subsection (b), the Federal Republic of Yugoslavia shall be deemed to be a state sponsor of terrorism for the purposes of 28 U.S.C. 1605(a)(7).

(b) This section shall not apply to Montenegro or Kosova.

(c) This section shall become null and void when the President certifies in writing to the Congress that the Federal Republic of Yugoslavia (other than Montenegro and Kosova) has completed a democratic reform process that results in a newly elected government that respects the rights of ethnic minorities, is committed to the rule of law and respects the sovereignty of its neighbor states.

(d) The certification provided for in subsection (c) shall not affect the continuation of litigation commenced against the Federal Republic of Yugoslavia prior to its fulfillment of the conditions in subsection (c).

UNITED STATES ASSISTANCE POLICY FOR OPPOSITION-CONTROLLED AREAS OF SUDAN

SEC. 592. (a) Notwithstanding any other provision of law, the President, acting through appropriate federal agencies, may provide food assistance to groups engaged in the protection of civilian populations from attacks by regular government of Sudan forces, associated militias, or other paramilitary groups supported by the government of Sudan. Such assistance may only be provided in a way that: (1) does not endanger, compromise or otherwise reduce the United States' support for unilateral, multilateral or private humanitarian operations or the beneficiaries of those operations; or (2) compromise any ongoing or future people-to-people reconciliation efforts. Any such assistance shall be provided separate from and not in proximity to current humanitarian efforts, both within Operation Lifeline Sudan or outside of Operation Lifeline Sudan, or any other current or future humanitarian operations which serve noncombatants. In considering eligibility of potential recipients, the President shall determine that the group respects human rights, democratic principles, and the integrity of ongoing humanitarian operations, and cease such assistance if the determination can no longer be made.

(b) Not later than February 1, 2000, the President shall submit to the Committees on Appropriations a report on United States bilateral assistance to opposition-controlled areas of Sudan. Such report shall include—

(1) an accounting of United States bilateral assistance to opposition-controlled areas of Sudan, provided in fiscal years 1997, 1998, 1999, and proposed for fiscal year 2000, and the goals and objectives of such assistance;

(2) the policy implications and costs, including logistics and administrative costs, associated with providing humanitarian assistance, including food, directly to National Democratic Alliance participants and the Sudanese People's Liberation Movement operating outside of the United Nations' Operation Lifeline Sudan structure, and the United States agencies best suited to administer these activities; and

(3) the policy implications of increasing substantially the amount of development assistance for democracy promotion, civil administration, judiciary, and infrastructure support in opposition-controlled areas of Sudan and the obstacles to administering a development assistance program in this region.

CONSULTATIONS ON ARMS SALES TO TAIWAN

SEC. 593. Consistent with the intent of Congress expressed in the enactment of section 3(b) of the Taiwan Relations Act, the Secretary of State shall consult with the appropriate committees and leadership of Congress to devise a mechanism to provide for congressional input prior to making any determination on the nature or quantity of defense articles and services to be made available to Taiwan.

AUTHORIZATIONS

SEC. 594. The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the Multilateral Investment Guarantee Agency, and the first general capital increase of the Inter-American Investment Corporation; and (2) contribute on behalf of the United States to the eighth replenishment of the resources of the African Development Fund and the twelfth replenishment of the International Development Association. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: $29,870,087 for paid-in capital, and $139,365,533 for callable capital, of the Multilateral Investment Guarantee Agency; $125,180,000 for paid-in capital of the Inter-American Investment Corporation; $300,000,000 for the African Development Fund; and $2,410,000,000 for the International Development Association.

ASSISTANCE FOR COSTA RICA

SEC. 595. Of the funds appropriated by Public Law 106–31, under the heading ''Central America and the Caribbean Emergency Disaster Recovery Fund'', $8,000,000 shall be made available only for Costa Rica.

SILK ROAD STRATEGY ACT OF 1999

SEC. 596. (a) SHORT TITLE.—This section may be cited as the ''Silk Road Strategy Act of 1999''.

(b) AMENDMENT OF THE FOREIGN ASSISTANCE OF 1961.—Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 12—SUPPORT FOR THE ECONOMIC AND POLITICAL INDEPENDENCE OF THE COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

''SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

''(a) PURPOSE OF ASSISTANCE.—The purposes of assistance under this section include—

''(1) the creation of the basis for reconciliation between belligerents;

''(2) the promotion of economic development in areas of the countries of the South Caucasus and Central Asia impacted by civil conflict and war; and

''(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

''(b) AUTHORIZATION FOR ASSISTANCE.—

''(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

''(2) DEFINITION OF HUMANITARIAN ASSISTANCE.—In this subsection, the term 'humanitarian assistance' means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

''(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include—

''(1) providing for the humanitarian needs of victims of the conflicts;

''(2) facilitating the return of refugees and internally displaced persons to their homes; and

''(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.

''SEC. 499A. ECONOMIC ASSISTANCE.

''(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to foster

economic growth and development, including the conditions necessary for regional economic cooperation, in the South Caucasus and Central Asia.

''(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

''(c) ACTIVITIES SUPPORTED.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.

''SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.

''(a) PURPOSE OF PROGRAMS.—The purposes of programs under this section include—

''(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and

''(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

''(b) AUTHORIZATION FOR PROGRAMS.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Central Asia may be used to support the activities described in subsection (c):

''(1) Activities by the Export-Import Bank to complete the review process for eligibility for financing under the Export-Import Bank Act of 1945.

''(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.

''(3) Assistance under section 661 of this Act (relating to the Trade and Development Agency).

''(c) ACTIVITIES SUPPORTED.—Activities that may be supported by programs under subsection (b) include promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

''SEC. 499C. BORDER CONTROL ASSISTANCE.

''(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section includes the assistance of the countries of the South Caucasus and Central Asia to secure their borders and implement effective controls necessary to prevent the trafficking of illegal narcotics and the proliferation of technology and materials related to weapons of mass destruction (as defined in section 2332a(c)(2) of title 18, United States Code), and to contain and inhibit transnational organized criminal activities.

''(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

''(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include assisting those countries of the South Caucasus and Central Asia in developing capabilities to maintain national border guards, coast guard, and customs controls.

''SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE, AND THE DEVELOPMENT OF CIVIL SOCIETY.

''(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to promote institutions of democratic government and to create the conditions for the growth of pluralistic societies, including religious tolerance and respect for internationally recognized human rights.

''(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide the following types of assistance to the countries of the South Caucasus and Central Asia:

''(1) Assistance for democracy building, including programs to strengthen parliamentary institutions and practices.

''(2) Assistance for the development of nongovernmental organizations.

''(3) Assistance for development of independent media.

''(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.

''(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.

''(6) Assistance to promote increased adherence to civil and political rights under section 116(e) of this Act.

''(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include activities that are designed to advance progress toward the development of democracy.

''SEC. 499E. ADMINISTRATIVE AUTHORITIES.

''(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.

''(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

''(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

''(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act, and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

''SEC. 499F. DEFINITIONS.

''In this chapter:

''(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

''(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term 'countries of the South Caucasus and Central Asia' means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.''.

(c) CONFORMING AMENDMENTS.—Section 102(a) of the FREEDOM Support Act (Public Law 102–511) is amended in paragraphs (2) and (4) by striking each place it appears ''this Act)'' and inserting ''this Act and chapter 12 of part I of the Foreign Assistance Act of 1961)''.

(d) ANNUAL REPORT.—Section 104 of the FREEDOM Support Act (22 U.S.C. 5814) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(5) with respect to the countries of the South Caucasus and Central Asia—

''(A) an identification of the progress made by the United States in accomplishing the policy described in section 3 of the Silk Road Strategy Act of 1999;

''(B) an evaluation of the degree to which the assistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961 has accomplished the purposes identified in that chapter;

''(C) a description of the progress being made by the United States to resolve trade disputes registered with and raised by the United States embassies in each country, and to negotiate a bilateral agreement relating to the protection of United States direct investment in, and other business interests with, each country; and

''(D) recommendations of any additional initiatives that should be undertaken by the United States to implement the policy and purposes contained in the Silk Road Strategy Act of 1999.''.

COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES

SEC. 597. Section 116 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection:

''(f)(1) The report required by subsection (d) shall include—

''(A) a list of foreign states where trafficking in persons, especially women and children, originates, passes through, or is a destination; and

''(B) an assessment of the efforts by the governments of the states described in paragraph (A) to combat trafficking. Such an assessment shall address—

''(i) whether government authorities in each such state tolerate or are involved in trafficking activities;

''(ii) which government authorities in each such state are involved in anti-trafficking activities;

''(iii) what steps the government of each such state has taken to prohibit government officials and other individuals from participating in trafficking, including the investigation, prosecution, and conviction of individuals involved in trafficking;

''(iv) what steps the government of each such state has taken to assist trafficking victims;

''(v) whether the government of each such state is cooperating with governments of other countries to extradite traffickers when requested;

''(vi) whether the government of each such state is assisting in international investigations of transnational trafficking networks; and

''(vii) whether the government of each such state refrains from prosecuting trafficking victims or refrains from other discriminatory treatment towards victims.

''(2) In compiling data and assessing trafficking for the purposes of paragraph (1), United States Diplomatic Mission personnel shall consult with human rights and other appropriate nongovernmental organizations.

''(3) For purposes of this subsection—

''(A) the term 'trafficking' means the use of deception, coercion, debt bondage, the threat of force, or the abuse of authority to recruit, transport within or across borders, purchase, sell, transfer, receive, or harbor a person for the purposes of placing or holding such person, whether for pay or not, in involuntary servitude, slavery or slavery-like conditions, or in forced, bonded, or coerced labor;

''(B) the term 'victim of trafficking' means any person subjected to the treatment described in subparagraph (A).''.

OPIC MARITIME FUND

SEC. 598. It is the sense of the Congress that the Overseas Private Investment Corporation shall within one year from the date of the enactment of this Act select a fund manager for the purpose of creating a maritime fund with total capitalization of up to $200,000,000. This fund shall leverage United States commercial maritime expertise to support international maritime projects.

SANCTIONS AGAINST SERBIA

SEC. 599. (a) CONTINUATION OF EXECUTIVE BRANCH SANCTIONS.—The sanctions listed in subsection (b) shall remain in effect for fiscal year 2000, unless the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations of the House of Representatives a certification described in subsection (c).

(b) APPLICABLE SANCTIONS.—

(1) The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to the government of Serbia.

(2) The Secretary of State should instruct the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to block any consensus to allow the participation of Serbia in the OSCE or any organization affiliated with the OSCE.

(3) The Secretary of State should instruct the United States Representative to the United Nations to vote against any resolution in the United Nations Security Council to admit Serbia to the United Nations or any organization affiliated with the United Nations, to veto any resolution to allow Serbia to assume the United Nations' membership of the former Socialist Federal Republic of Yugoslavia, and to take action to prevent Serbia from assuming the seat formerly occupied by the Socialist Federal Republic of Yugoslavia.

(4) The Secretary of State should instruct the United States Permanent Representative on the Council of the North Atlantic Treaty Organization to oppose the extension of the Partnership for Peace program or any other organization affiliated with NATO to Serbia.

(5) The Secretary of State should instruct the United States Representatives to the Southeast European Cooperative Initiative (SECI) to oppose and to work to prevent the extension of SECI membership to Serbia.

(c) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) the representatives of the successor states to the Socialist Federal Republic of Yugoslavia have successfully negotiated the division of assets and liabilities and all other succession issues following the dissolution of the Socialist Federal Republic of Yugoslavia;

(2) the government of Serbia is fully complying with its obligations as a signatory to the General Framework Agreement for Peace in Bosnia and Herzegovina;

(3) the government of Serbia is fully cooperating with and providing unrestricted access to the International Criminal Tribunal for the former Yugoslavia, including surrendering persons indicted for war crimes who are within the jurisdiction of the territory of Serbia, and with the investigations concerning the commission of war crimes and crimes against humanity in Kosova;

(4) the government of Serbia is implementing internal democratic reforms; and

(5) Serbian federal governmental officials, and representatives of the ethnic Albanian community in Kosova have agreed on, signed, and begun implementation of a negotiated settlement on the future status of Kosova.

(d) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should not restore full diplomatic relations with Serbia until the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations in the House of Representatives the certification described in subsection (c).

(e) EXEMPTION OF MONTENEGRO AND KOSOVA.—The sanctions described in subsection (b) shall not apply to Montenegro or Kosova.

(f) DEFINITION.—The term ''international financial institution'' includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(g) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of any sanction described in subsection (b) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs.

CLEAN COAL TECHNOLOGY

SEC. 599A. (a) FINDINGS.—The Congress finds as follows:

(1) The United States is the world leader in the development of environmental technologies, particularly clean coal technology.

(2) Severe pollution problems affecting people in developing countries, and the serious health problems that result from such pollution, can be effectively addressed through the application of United States technology.

(3) During the next century, developing countries, particularly countries in Asia such as China and India, will dramatically increase their consumption of electricity, and low quality coal will be a major source of fuel for power generation.

(4) Without the use of modern clean coal technology, the resultant pollution will cause enormous health and environmental problems leading to diminished economic growth in developing countries and, thus, diminished United States exports to those growing markets.

(b) STATEMENT OF POLICY.—It is the policy of the United States to promote the export of United States clean coal technology. In furtherance of that policy, the Secretary of State, the Secretary of the Treasury (acting through the United States executive directors to international financial institutions), the Secretary of Energy, and the Administrator of the United States Agency for International Development (USAID) should, as appropriate, vigorously promote the use of United States clean coal technology in environmental and energy infrastructure programs, projects and activities. Programs, projects and activities for which the use of such technology should be considered include reconstruction assistance for the Balkans, activities carried out by the Global Environment Facility, and activities funded from USAID's Development Credit Authority.

RESTRICTION ON UNITED STATES ASSISTANCE FOR CERTAIN RECONSTRUCTION EFFORTS IN THE BALKANS REGION

SEC. 599B. (a) Funds appropriated or otherwise made available by this Act for United States assistance for reconstruction efforts in the Federal Republic of Yugoslavia or any contiguous country should to the maximum extent practicable be used for the procurement of articles and services of United States origin.

(b) DEFINITIONS.—In this section:

(1) ARTICLE.—The term ''article'' means any agricultural commodity, steel, communications equipment, farm machinery or petrochemical refinery equipment.

(2) FEDERAL REPUBLIC OF YUGOSLAVIA.—The term ''Federal Republic of Yugoslavia'' includes Serbia, Montenegro and Kosova.

CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND

SEC. 599C. (1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under ''International Organizations and Programs'', not more than $25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the ''UNFPA'').

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under ''International Organizations and Programs'' may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under ''International Organizations and Programs'' for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO THE CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2000, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Population Fund is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 599D. (a) Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.

This Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in House Report 106–450 if offered by the gentleman from Florida (Mr. YOUNG) or his designee, which shall be in order without a demand for division of the question, shall be considered read and debatable for 20 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from Florida (Mr. YOUNG) and the gentlewoman from California (Ms. PELOSI) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3196, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would expect that the general debate time would be rather limited today because the underlying bill that we deal with this morning is basically the same bill that we passed in the House earlier and that we again passed as part of the conference report on the foreign operations bill.

So, Mr. Speaker, I believe that most of the debate today will revolve around the amendment that I will offer after we have completed general debate. The amendment has been discussed during consideration of the rule, and I will just briefly go through it again.

It will provide the money that the President has requested to fund the Wye River Agreement relative to the Middle East peace process. It also will add additional funding for programs that the President has asked for, but not nearly in the amounts that he initially asked for. He asked for $1.4 billion over and above the underlying bill plus the Wye River agreement funding. We, after serious negotiation, we brought that number down to $799 million. But we will discuss that amendment in greater detail when we get to that point.

Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the Committee on Appropriations, in bringing this foreign operations bill to the floor.

We have debated this extensively in the course of the Congress working its will on the bill in the initial bill and the conference report, and lots of debates surrounding how this bill is coming to the floor.

It is indeed a compromise. Yes, there is additional funding, and that was agreed to between the majority and minority parties helping to meet some of the President's initiatives. I am very pleased that, through the process, we were able to bring a very robust Wye River agreement to the floor and know that it will receive overwhelming support from our colleagues.

As I said, this bill has been extensively debated. In the interest of time, I just want to say two things. One is that this bill is about threat reduction. It is in the interest of every person in our country and, indeed, in the interest of our great country for us to reduce threat.

That is manifested in this legislation in funds to disarm the nuclear weapons in Russia. That reduces threat of those weapons in the world and to our people. Stopping proliferation of weapons of mass destruction is in our interest.

Threat reduction, though, applies also to the environment. Funds spent on international environmental issues reduce environmental and pollution threats to people in our own country.

Funds spent on child survival for stopping disease and trying to eliminate disease in the world is in the interest, not only of the children of the world, but is a threat reduction to the children of America.

I believe that America should have a very strong leadership role in the world. Most people agree, I think. But even if one does not, I think one will agree that it is in the national self-interest and the personal self-interest of every person in our country to reduce the threat of nuclear weapons, the threat of environmental pollution, the threat of disease, and other threat that can harm our country and our people.

I have had a chart on occasion that shows a very thin sliver of the budget pie, which is this appropriations bill. It looks like a little needle, it is so thin. It is just a little line. I think my colleagues should consider that needle, that portion of the budget that is spent on foreign operations as the needle of inoculation, inoculation against the spread of warfare, the spread of disease, the spread of pollution, as I said. That list goes on.

So it is a small price for us to pay to protect our people, to prevent a conflict, and to help America assume its role in the world.

In addition to threat reduction, I will talk a moment about debt reduction, which is also in this package, though not as robustly as I would like to see.

In terms of debt reduction, this is the jubilee year. I would hope that, in the package which is here, which only addresses bilateral debt reduction, but I am hoping that we will have language in the bill that frees us from the Paris Club minutes that tie that debt reduction to criteria established by the IMF, but instead, tie it to criteria established by this Congress, that we will proceed in the next year to move on to multilateral debt reduction, which is very important.

The year 2000 is a jubilee year, a year where interfaith organizations in a very ecumenical movement have come together to call for debt forgiveness. At the end of the century, and even more so at the end of the millennium, it has been a biblical tradition to forgive. Hopefully, we can forgive the debt many of these countries are burdened by by previous corrupt regimes.

But now that these democracies have emerged, they cannot be harnessed or hampered by the debts of the previous regimes or even by some inappropriate economic policies of their predecessors.

So in the interest of threat reduction and in the interest of debt reduction, I am pleased that we have this compromise package which will help prevent some of the ills that I mentioned earlier and promote democratic values throughout the world, grow our economy through promoting our exports, and have freer and fairer trade in the world as we open markets. But we must help create those markets. Debt reduction will help do that.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute and would just like to point out that, as I said in my opening comments, I do not think we need a lot of debate on the underlying bill inasmuch as we have already discussed it and debated it numerous times. So we are just about prepared to yield back our time. But before we do, and before I have a closing statement, I will recognize the very distinguished chairman of the Subcommittee on Foreign Operations, Export Financing, and related programs, who has done yeoman's work in getting some realism into our foreign aid program and getting programs that actually work and doing the very best that he can to keep the money from going into corrupt hands and ending up into some numbered bank account somewhere where the poor people do not get a chance to see any benefit from it.

Mr. Speaker, I am very happy to yield such time as he may consume to the gentleman from Alabama (Mr. CALLAHAN), who is responsible for this bill.

Mr. CALLAHAN. Mr. Speaker, the gentleman form Florida (Mr. YOUNG) is absolutely right. This measure, in its current form, has been debated on this floor several times. There is really no need to go into some lengthy explanation of what we have already debated. So I think that it is a very wise decision to limit debate on this.

The bill, as I understand it, because of the discussions that took place between the Democrats and the White House and the leadership, is going to be dramatically changed with the Young amendment which will be introduced just momentarily. So if there is any discussion, I think that the discussion should be held there.

So the bill in the current form, Mr. Speaker, is a good bill, but we will just have to wait and see what the amendment produces.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I do not expect to take the full 2 minutes. I simply want to thank the gentleman from Florida (Mr. YOUNG) for his efforts and the gentleman from Alabama (Mr. CALLAHAN) as well, and certainly the gentlewoman from California (Ms. PELOSI), who has been steadfast in trying to improve this bill so that it can, in fact, merit a presidential signature.

I have already said everything that needs to be said about the changes that will be affected by the Young amendment, which I intend to support. I do

think it is important to recognize that, while we do have an understanding, we do not yet have a total agreement.

The bill, as it leaves the House today, will still leave numerous language issues unresolved. Those are still going to have to be worked out between us and the Senate. There are at least two substantive issues which will still have to be worked out with give and take on both sides.

But assuming that that will happen, I intend to support this at this stage in the process. Whether I support the final product will be determined by exactly what the fine print reads when we get that product together after Senate consideration and consideration by the conference.

Ms. PELOSI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to commend the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the full Committee on Appropriations. It is always a pleasure to work with him and the gentleman from Alabama (Mr. CALLAHAN), the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

We have had our differences over this bill. I am pleased that we are able to come together, as the gentleman from Wisconsin (Mr. OBEY) says, around a compromise. It is one of those bills where, obviously, everybody did not get what he or she wanted; but nonetheless, we have enough to go forward. So I urge my colleagues to vote for it.

I want to commend the leadership, also, of the gentleman from Wisconsin (Mr. OBEY), our distinguished ranking member, who has served as chair of this subcommittee for 10 years who knows this brief very well, and we all benefit from that.

Mr. Speaker, I want to commend the staff, Charlie Flickner, John Shank, Chris Walker, and Lori Maes, for their very hard work on this legislation, as well as the minority staff, Mark Murray and Carolyn Bartholomew, for helping to bring this all to fruition today.

So, with that, Mr. Speaker, I urge our colleagues to vote aye on the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute primarily to say thank you very much to all of the players, the gentleman from Alabama (Mr. CALLAHAN), especially, as chairman, and to the gentlewoman from California (Ms. PELOSI) as the ranking member, and the gentleman from Wisconsin (Mr. OBEY), my friend and the ranking member on the full Committee on Appropriations.

This is not the easiest bill to deal with and get votes for or to negotiate with the administration. But I think we have successfully done that. There are a lot of decisions in this product that I do not really like, I will have to be very honest with my colleagues. I probably dislike this bill more than any of the ones that we are going to vote on. But we are going to take it up now, we are going to amend it, we are going to pass it, we are going to get it to the White House, and we are going to get on with the business of the Congress.

Mr. PORTER. Mr. Speaker, I rise in strong support of this amendment. While I understand the concerns of the Chairman of the Subcommittee, I believe that this amendment will begin to address the real assistance needs of our foreign policy. I support restraints for federal spending, but I am concerned that reductions in our foreign assistance will cost us much more in the future.

As has been stated before, foreign aid represents less than one percent of the overall federal budget. Even with the increase provided by the Young amendment! Our Defense budget is twenty times as great as the budget for Foreign Operations. And this is after the Cold War. Investments in foreign assistance reduce the need for defense operations. Promoting stability and economic development through the U.S. Agency for International Development, multilateral development agencies and non-governmental organizations that leverage U.S. funds is a fiscally responsible investment.

While many want the U.S. to withdraw from the focus of the world stage, we cannot. We are the only superpower and with this position comes responsibilities. If the U.S. retreats, who will fill this void? The candidates are frightening. There are more Kosovos and Chechnyas waiting to erupt. While we cannot prevent every one, our economic and development assistance is helping to settle many through peaceful means.

Further, by working with populations in the developing world, we help to conserve the natural resources that affect us all. Air, water and biodiversity are all global and know no national boundaries. The U.S. is not an island with its own separate ecosystem. Our health and prosperity is interdependent with the rest of the world. So many resources on which we rely are influenced by those outside of the U.S. Therefore, it is essential that we work together to guarantee a healthy global environment for the future.

I am pleased that the leadership is supporting this assistance, and I look forward to making our foreign assistance more effective next year.

I urge all of my colleagues to support this amendment.

Mr. CARDIN. Mr. Speaker, I urge my colleagues to support H.R. 3196, the second Foreign Operations Appropriations for FY 2000. It is in our national interest.

We can be proud of the role that our nation has played in facilitating peace around the world. Nowhere has that been more evident than in the Middle East. The United States played a key role in the successful implementation of the Wye River Accord between Israel and the Palestinians.

The Young amendment will help the United States fulfill its crucial obligations to Wye River implementation. By providing $1.8 billion in funding for the Wye River Accord, including $1.2 billion in security assistance for Israel, $400 million in economic support for Gaza and the West Bank, $200 million for Jordan and $25 million in military support for Egypt, this legislation ensures the continued progress of peace in the Middle East.

This bill is not perfect. Our foreign aid budget is only half of what it was just 10 years ago and represents less than 1 percent of our federal budget today. We must do more to provide broad-based, adequate funding to promote our interests around the world.

But this legislation represents an appropriate balance that maintains U.S. leadership abroad, so that our efforts in crucial regions like the Middle East and the Balkans will not be wasted. I am pleased that this legislation provides increased funding for debt relief to help some of the world's poorest nations reduce manageable debt and start down the road of economic recovery. This legislation also funds efforts to prevent the spread of weapons of mass destruction and deadly nuclear materials. Finally, the bill provides increased funds to support the hard-won peace in Kosovo, where U.S. leadership helped stop ethnic cleansing.

By including these measures, this legislation takes important steps toward crafting a foreign aid budget that makes sense and promotes U.S. leadership around the world. I support this bill and applaud the bipartisan work which brought this agreement before the House.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3196, which is the second version of the Foreign Operations Appropriations bill for FY2000. The President vetoed the first bill because it failed to advance our nation's foreign policy concerns.

Since the mid-1980's the resources devoted to our foreign assistance programs have steadily declined. Some of these decreases have been prudent reductions as we examined our international and multilateral commitments. However, these current requests for massive cuts in funding would threaten America's ability to maintain a leadership role in a rapidly changing world.

I would like to commend Chairman YOUNG, Subcommittee and Ranking Member PELOSI, Full Committee Ranking Member OBEY, and Chairman CALLAHAN on the compromise negotiated with the Administration that would appropriate $1.8 billion to implement the Wye River Accord plus $799 in other various accounts. Mr. Speaker, the compromise reached on this appropriations bill would further provide $150 million for loan assistance to the world's poorest countries; $50 million for the African Development Fund and $4.1 million for the African Development Bank; additionally, this bill provides $75 million more for peacekeeping activities; $35 million for the nonproliferation, anti-terrorism, and demining programs; $20 million more for anti-narcotics and law enforcement; $16 million for the Inter-American Investment Corporation and $10 million for the Community Adjustment Program along the border with Mexico; lastly, $10 million in additional funding has been provided to the Peace Corps.

I am particularly pleased with the additional funding for economic recovery and democratization in Africa, Latin America and Asia. These additional funds would assist programs intended to increase political stability and democratization in Africa; support democracy efforts in Guatemala, Peru and Ecuador; and bolster democratic and economic reform in Asia, as well as sustain the implementation of the Belfast Good Friday Accord. Funding for these accounts will permit the United States to additionally provide funds for numerous priorities in Africa.

In addition, the funds provided to the Multilateral Development Banks and debt reduction will assist Debt Relief programs for poor countries and enable the United States to contribute to the HIPC Trust Fund, which is an essential component of current debt reduction programs. The developing nations of the world have developed strategies and plans to alleviate some of the debt burden of poorer countries. The expanded Heavily Indebted Poor Countries (HIPC) initiative is supported by a wide range of religious and charitable organizations, and was agreed to by the G–7 in Cologne. It is critical that the United States demonstrate its leadership by consistently providing the necessary funding support for these initiatives, which enjoys bipartisan and international support. Finally this bill has almost $200 million for treatment of HIV/AIDS in the world. Although we must do more for debt relief for developing nations, such as on the continent of Africa, and I look forward to that in the months to come.

I would like to commend Chairman YOUNG and Ranking Member OBEY for their hard work in reaching this compromise and offer my support for this bill.

Mr. CROWLEY. Mr. Speaker, I speak today in support of the Young amendment and the Fiscal Year 2000 Foreign Operations Appropriations bill. I voted against this legislation when the House last considered it because it failed to fund the Wye Agreement and it failed to provide sufficient funding to promote America's foreign policy interests.

Today, with the Young amendment, we see a much-improved Foreign Operations bill. By providing $1.8 billion to meet our commitment under the Wye Accord, the United States has re-committed itself to keeping the promise of Middle East Peace.

Mr. Speaker, I am also grateful to the Appropriations Committee for including funding for UNFPA for up to $25 million, without the ''Smith Mexico City'' language. The current language in the bill is the Crowley/Campbell amendment which reduces, dollar for dollar, any funding provided by UNFPA in China. I continue to believe that this common sense compromise is the best way to address the issue of the UNFPA program in China without cutting off support for vital work being done by UNFPA.

I am also pleased that this legislation contains $150 million for reconstruction efforts in Kosovo, funding for bi-lateral debt relief, and $20 million for the International Fund for Ireland. Additionally, this legislation contains provisions limiting new funds from being obligated for Indonesia and prohibits military equipment from being sold or leased to Indonesia for use against East Timor.

Mr. YOUNG and Mr. CALLAHAN have worked hard to provide aid to Israel, Egypt and Jordan to continue the goal of peace in the Middle East. I am grateful to them for fulfilling this commitment. However, I am concerned about the lack of funding for counter-narcotics assistance for Colombia, as well as the continuation of the waiver for Azerbaijan to receive OPIC and TDA for another year. I firmly believe that Azerbaijan does not deserve U.S. support until it removes the blockade of Nagorno-Karabagh, which prevents vital humanitarian assistance from reaching this region.

This is a good bill. I commend Mr. YOUNG, Mr. CALLAHAN, Mr. OBEY and Ms. PELOSI for their hard work to balance our obligations to the world community with our shared goal of being fiscally responsible. While I would like to have seen more programs funded, including a multi-lateral debt relief package, I am satisfied with the legislation put forward today.

I urge my colleagues to support this legislation.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this compromise agreement, which represents the second version of the Foreign Operations Appropriations bill for FY2000. As we all know, the President vetoed the first bill because it did not provide adequate funding levels to help the United States advance our most important foreign policy priorities. Regrettably, the first version of this bill did not provide any funds to follow through on the commitment of the U.S. under the Wye River Middle East peace agreement.

I am pleased that Chairman YOUNG willl offer a manager's amendment today that will provide $1.8 billion to implement the Wye River Accord. Israel's new Prime Minister, Ehud Barak, has moved with boldness to secure a comprehensive and lasting peace in the Middle East. Israel has followed through on its commitment to withdraw from an additional 10 percent of the West Bank and is moving forward on its planned withdrawal of 3 additional percent on November 15th. Israel has also released 350 political prisoners and will soon open a safety passage route for Palestinians between Gaza and the West Bank. Israel has also begun final status negotiations, hoping to negotiate a conceptual framework on all outstanding issues by February 2000, and permanent agreement by next September.

These actions entail great strategic security risks and financial costs, which Israel has already incurred. Military bases have to be moved, and the increasing threat of terrorism has to be confronted. These strategic vulnerabilities will be addressed through passage of the Young amendment and passage of he underlying bill. For decades, the U.S. has worked with Israel—our most consistent Middle East ally—to provide the aid and military equipment necessary to defend itself against hostile neighbors. In approving the Wye River Aid package, the U.S. has made an important investment in peace that will yield significant long-term dividends for U.S. security interests in a more stable Middle East. It is especially important that Congress act now, as failure to approve the Wye package would have sent a powerfully negative message to the Middle East the rest of the world about U.S. credibility that could have set back the hard-fought momentum on the Mideast peace process.

By approving this bill, we are reaffirming our national priority to achieving a secure and peaceful Middle East. That goal is now closer than ever. I urge my colleagues to support the Young managers amendment, the Foreign Operations Appropriations bill for fiscal 2000, and to strongly support our national interests in the Middle East.

Mr. WEYGAND. Mr. Speaker, I speak in support of the Young amendment to the fiscal year 2000 Foreign Operations Appropriations bill. Chairman YOUNG's amendment would add $1.8 billion dollars to this bill to fund the United States' commitment to the Wye River Agreement, negotiated a year ago this weekend.

Honoring our commitment is especially critical at this time because implementation of the Wye River Agreement is continuing. Prime Minister Barak is committed to peace and is moving quickly to develop a comprehensive plan. Already, Israel has redeployed nearly 10 percent of its troops from the West Bank, released 350 political prisoners, opened a safe passage route through the Gaza and the West Bank, and final status negotiations have begun. For her actions, Israel is incurring the high costs of implementation. It is vital that the United States commit its share in order to ensure further progress in the region.

The withdrawal of troops has increased the threat of terrorist attack and increased the strategic vulnerability of Israel. Providing the $1.2 billion dollars pledged to Israel for military assistance is crucial to ensure that the citizens of Israel remain secure.

Additionally, our credibility is on the line. The United States, Israel, Jordan, and the Palestinians negotiated the Wye River Agreement and all participants must live up to their commitment. Peace in the Middle East has been a central component of the United States' foreign policy for decades. Appropriating funding in this year's budget will send the message the that United States is a full partner in securing a lasting peace in region. Not providing funding for the implementation of the agreement could be a significant set back to the progress already made.

I would be remiss if I did not make note of a provision in this bill that is quite troubling. That provision is the one that would ease restrictions on aid to Indonesia. In August and September we saw unacceptable brutality in East Timor. Today, many East Timorese are still afraid to return to East Timor. Mr. Speaker, we must send a message to the Indonesian government that the United States is committed to ensuring that the results of the elections are upheld. I understand that the Indonesian government is undergoing significant changes and I am pleased that they are moving in the direction of democracy. However, I believe that it is much too soon to begin easing any restrictions on Indonesian aid.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for general debate has expired.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. YOUNG of Florida:

On page 162, after line 25 insert the following:

TITLE VI—INTERNATIONAL AFFAIRS SUPPLEMENTAL APPROPRIATIONS

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for ''International Disaster Assistance'', $27,000,000, to remain available until expended.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For an additional amount for ''Urban and Environmental Credit Program Account'', $1,500,000, to remain available until expended, for the cost, as defined in section 502

of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) of the Foreign Assistance Act of 1961.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for ''Operating Expenses of the Agency for International Development'', $25,000,000.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for ''Economic Support Fund'' for assistance for Jordan and for the West Bank and Gaza, $450,000,000, to remain available until September 30, 2002: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

For an additional amount for ''Economic Support Fund'', $168,500,000, to remain available until September 30, 2001.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

For an additional amount for ''Assistance for the Independent States of the Former Soviet Union'', $104,000,000, to remain available until September 30, 2001.

INDEPENDENT AGENCY

PEACE CORPS

For an additional amount for ''Peace Corps'', $10,000,000, to remain available until September 30, 2001.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for ''International Narcotics Control and law Enforcement'', $20,000,000.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for ''Nonproliferation, Anti-Terrorism, Demining and Related Programs'', $35,000,000.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

For an additional amount for ''Debt Restructuring'', $90,00,000, to remain available until expended.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

For the United States Community Adjustment and Investment Program authorized by section 543 of the North American Free Trade Agreement Implementation Act, $10,000,000, to remain available until September 30, 2001: Provided, That the Secretary may transfer such funds to the North American Development Bank and/or to one or more Federal agencies for the purpose of enabling the Bank or such Federal agencies to assist in carrying out the program by providing technical assistance, grants, loans, loan guarantees, and other financial subsidies endorsed by the interagency finance committee established by section 7 of Executive Order 12916: Provided further, That no portion of such funds may be transferred to the Bank unless the Secretary shall have first entered into an agreement with the Bank that provides that any such funds may not be used for the Bank's administrative expenses: Provided further, That any funds transferred to the Bank under this head will be in addition to the 10 percent of the paid-in capital paid to the Bank by the United States referred to in section 543 of the Act: Provided further, That any funds transferred to any Federal agency under this head will be in addition to amounts otherwise provided to such agency: Provided further, That any funds transferred to an agency under this head shall be subject to the same terms and conditions as the account to which transferred.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for ''Foreign Military Financing Program'', $1,375,000,000, to remain available until September 30, 2002, of which $1,200,000,000 shall be for grants only for Israel, $25,000,000 shall be for grants only for Egypt, and $150,000,000 shall be for grants only for Jordan: Provided, That funds appropriated under this heading shall be nonrepayable notwithstanding section 23 of the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not to exceed 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

PEACEKEEPING OPERATIONS

For an additional amount for ''Peacekeeping Operations'', $75,000,000.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For an additional amount for ''Contribution to the International Development Association'', $150,000,000, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the inter-American Investment Corporation, by the Secretary of the Treasury, $16,000,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $4,100,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $64,000,000.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For an additional amount for ''Contribution to the African Development Fund'', $50,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For an additional amount for ''International Organizations and Programs'', $13,000,000.

On page 35 under the heading ''Foreign Military Financing Program'', strike the second proviso.

The SPEAKER pro tempore. Pursuant to House Resolution 362, the gentleman from Florida (Mr. YOUNG) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this amendment has been discussed at great length during the discussion of the rule and further during general debate. The amendment offers the $1.825 billion associated with the President's request for implementation of the Wye River Agreement. I think all the Members understand the specifics of that.

It also adds $799 million to other items that the President had asked for. The difference is he asked for $1.4 billion, and we negotiated down to $799 million.

We can go into the details of what these items are during this debate period, but generally that is the outline of the amendment. I think it has general support.

The amendment also includes additional funding for the International Development Association of the World Bank, the Inter-American Investment Corporation, and the African Development Fund.

A total of $1.2 billion is provided for military assistance for Israel. These funds will be used to help relocate military bases from areas that will fall under the control of the Palestinian Authority under the terms of the Wye Accord. They will also enable Israel to strengthen its strategic defense capability.

As Israel gives up territory, the ability of potential enemies to threaten that country increases; therefore it is essential that its national security assets are strengthened.

The amendment also provides $200 million in further assistance for Jordan. As members may recall, earlier this year we provided a supplemental appropriation of $100 million for Jordan at the request of President Clinton. Providing these additional supplemental funds meets the commitment that I and other members gave to King Abdullah that we would ensure that Jordan's needs would be met at the earliest possible time.

Also included in the amendment is $400 million for assistance for the West Bank and

Gaza. The State Department has told us that no funds appropriated for the West Bank and Gaza will be provided directly to the Palestinian Authority. These funds are for infrastructure improvements, such as roads and water systems, and for economic development activities.

Frankly, I am not entirely comfortable about this portion of the amendment. It is very difficult for me to support funding that will indirectly assist Yasser Arafat and the Palestinian Authority. The only good thing about this portion of the amendment is that it helps implement a peace agreement that should lead to long-term peace and stability in the region.

Finally, the Wye River package in this amendment includes $25 million in military assistance for Egypt. The Administration had requested the creation of an interest-bearing account for Egyptian military assistance, but the Congressional Budget Office estimated that the Administration's proposal would have cost $470 million in outlays. Clearly, we could not do that. Therefore we have included a direct appropriation for Egypt which is roughly equal to the interest they would have gained from such an account. I believe this relatively small amount of funding is necessary to support the essential role that Egypt is playing in the Middle East peace process.

Mr. Speaker, it was not until October 15 of this year that the Committee on Appropriations received any detailed information on the proposed uses of the funds requested for the Wye River Accord. This was after the Congress had passed the conference report on Foreign Operations. The total lack of information was one reason the Committee was reluctant to act on the President's request.

Now that we have finally received this information, I ask unanimous consent that it be included in the RECORD. I also want to state that the Committee will consider the information provided in this justification document as the baseline for any proposed reprogramming of funds.

Mr. Speaker, this amendment also includes $799.1 million in additional funding for a variety of programs. The funding recommendations contained in the amendment are the result of negotiations between the Congress and the White House. Everyone gave up something in these negotiations; the President gets about $900 million less in funding than he requested, if you exclude funding for the Wye River Accord. We have agreed to provide an additional $799.1 million in spending.

Mr. Speaker, I believe my amendment has broad, bipartisan support. It fulfills the commitment made by the President at Wye River, and address concerns expressed by the President in his veto message. I strongly urge that members vote in favor of this amendment.

Mr. Speaker, I reserve the balance of my time.

☐ 0945

The SPEAKER pro tempore (Mr. Pease). Does the gentlewoman from California (Ms. PELOSI) seek to claim the time in opposition?

Ms. PELOSI. No, Mr. Speaker, I support the amendment, but I claim the opposition time in support of the amendment.

The SPEAKER pro tempore. Without objection, the gentlewoman from California (Ms. PELOSI) is recognized for 10 minutes.

There was no objection.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of the gentleman's amendment. I am glad that through all of this that we were able to get, as I said earlier, a very robust figure for the Wye River agreement. It is something that the American people support. It is a very high priority for the President of the United States. It occurs within the context of people in the region working very, very hard for peace. And as my colleagues just saw from the recent meetings in Oslo, people outside the region are taking a very strong interest. Everyone is hopefully doing his or her part on this and it is important for us to do our part as well. And I am very pleased that the Republican majority, our distinguished chairman, has agreed to include the Wye River agreement funding in this legislation.

I am still expressing some disappointment that we do not have as much resources applied to the debt reduction, and I would hope by the end of this process, be that next week or whenever, that we will have multilateral debt reduction included in the legislation. Because that is, as I mentioned earlier, central to lifting these countries, these emerging and fragile democracies, from their unfortunate pasts and bringing them, as we go into the new millennium, a more brilliant future, with a small price to pay. It is a very small investment on our part, with the tens of millions of dollars yielding tens of billions of dollars of benefit for the economies of these regions.

There are other initiatives in the bill that I wish could have received more attention, but again this is a compromise. This is a good amendment, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY). Many, many Members, Mr. Speaker, have been supportive of this amendment to include the Wye River agreement, and none has been more forthcoming and outspoken than my colleague from Florida.

Mr. FOLEY. Mr. Speaker, I thank the distinguished chairman from Florida for his hard work on all of the appropriations bills, but specifically this one which has been most contentious, but welcomed to the floor today.

Specifically, I just wanted to mention to my colleagues that I returned from Israel several weeks ago, and I found the peace process moving along expeditiously. The one thing that is vitally important today is an amendment offered by the chairman which would add the money for the Wye River Accord, giving $1.8 billion total; $1.2 for Israel, $400 million for economic support and assistance for the West Bank and Gaza, $200 million for Jordan, including $50 million in economic support and assistance and $150 million for military aid, $25 million in military support for Egypt.

These are vital funds, and I appreciate the chairman working so hard to place these dollars in the bill because it means meaningful peace for a region that has been wracked with turmoil. So I commend this bill to the floor.

I again want to mention as well my colleague, the gentleman from Florida (Mr. WEXLER), who joined with me several weeks ago, at his insistence, in authoring a letter to the leadership asking that this money be included. And, again, through the hard work of the chairman, the gentleman from Florida (Mr. YOUNG), through the cooperation of the ranking member, the gentlewoman from California (Ms. PELOSI), we find that this in fact has been accomplished today.

So I would ask all of my colleagues who are listening today to urge support for this vital bill, urge support of the amendment, and move the peace process forward. We find right now, I think, the best opportunity for lasting peace. All the players are at the peace table, all the players are anxious for stability, King Abdullah of Jordan, Mr. Barak, the new Prime Minister of Israel, the Palestinian Authority, Mr. Arafat, have all finally joined together to achieve lasting peace.

Nothing could be more meaningful for the leadership of the United States of America than achieving it through the mechanisms provided in this bill. So, again, I thank all parties involved, but specifically again my chairman from Florida.

I want to thank the chairman's family, specifically his wife Bev and his two boys, for sharing him with us on this floor, for giving his time to provide the leadership necessary to usher in these bills. I know it is difficult for all Members who have families, but specifically the gentleman from Florida (Mr. YOUNG), who has dedicated so much time to all these issues.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the full Committee on Appropriations.

Mr. OBEY. Mr. Speaker, we do not occupy this planet alone. There are billions of other people that occupy it with us. Many of them are our friends, some of them are our implacable enemies. This bill represents one tool through which we exercise both our responsibilities to other human beings on this globe and, at the same time, we exercise our responsibilities to ourselves to try to keep these regions stable so that our own national security is maximized.

We have huge arguments about this bill, but in fact foreign assistance amounts to far less than 1 percent of the entire Federal budget. I know the public does not know that, but that is, in fact, true. I happen to believe that persons who serve on this subcommittee and work to see that we meet our responsibilities in this area

are patriots of the highest order. I think that the chairman and the ranking member of this subcommittee have a thankless job, because no one understands the responsibilities that are being met in this legislation. It is an easy bill to demagogue, but this bill is in fact central to keeping this world a more civilized place and keeping our place in it more secure than it would otherwise be.

I think the gentleman's amendment is a constructive approach. We will need to work out, as I say, further details as we move along, but I intend to support it at this stage and would urge other Members to do the same.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK), a very distinguished member of the subcommittee.

Ms. KILPATRICK. Mr. Speaker, after much deliberation and bipartisan support we have come to what we believe is an adequate compromise for our foreign operations budget. We have come a long way, and we still have yet a long ways to go, but this is certainly a step in the right direction.

I want to commend the chairman of the subcommittee, the gentleman from Alabama (Mr. CALLAHAN) for his hard work, and the bipartisan nature for which he runs our committee; and our ranking member, the gentlewoman from California (Ms. PELOSI), for all her hard work to make us a team as we work to get the best bill possible.

We still have major problems in the world, that include HIV/AIDS and its epidemic that is moving across the world. We still have to build infrastructures and roads and schools and health centers so that people can live, and we have a responsibility in that as the greatest country in the world. We have a long way to go, but this is certainly a better bill than it was when it came out of subcommittee, when it came off the floor for the first conference, and I urge my colleagues to support the bill.

This is not perfect, but certainly it is a step in the right direction, Mr. Speaker. Again, I say to our ranking member that I appreciate her leadership, and we look forward to continuing to work with her as we look to Africa and all of its natural resources and all of the things that it has to offer; that we do our part to make sure that over 750 million people on that continent have their rightful place and are able to participate in the world.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY), a distinguished member of our subcommittee, who has been a leader in this Congress and in the country on the issue of Middle East peace.

Mrs. LOWEY. Mr. Speaker, I thank the ranking member for yielding me this time, and I rise in support of this bill and the Young amendment.

Mr. Speaker, I am extremely gratified that after weeks of political brinksmanship the majority, the minority, and the administration have arrived at a reasonable compromise on this legislation. I do want to commend the distinguished chairman of our subcommittee, my good friend, the gentleman from Alabama (Mr. CALLAHAN), our distinguished ranking member, who has done an outstanding job, my good friend, the gentlewoman from California (Ms. PELOSI), the chair, our overall chair, the gentleman from Florida (Mr. YOUNG), and certainly our ranking chair, the gentleman from Wisconsin (Mr. OBEY), who have worked so hard to make this day possible.

I also want to thank the President and his negotiators for bringing to the floor today a reasonable bill that is clearly the product of good faith negotiations.

I am also delighted that with this bill and the Young amendment we are fulfilling our important commitment to the Middle East peace process, a cornerstone of United States foreign policy for over half a century. Today, Congress can demonstrate our commitment to promoting U.S. national security interests in the Middle East and can prove our dedication to achieving a lasting and secure peace as the parties move into the toughest stage of negotiations.

The compromise reached late last night will also fund another of many important priorities, such as the International Development Association, which provides assistance to the poorest of the poor; the African Development Fund; the Independent States of the Former Soviet Union; and the Peace Corps.

But let us not make any mistake, this bill is not perfect. It fails to provide adequately, in my judgment, for other critical programs, including our participation in the G7 debt relief initiative, and it does not include important provisions designed to encourage Indonesia's cooperation in expediting peace and independence in East Timor. I pledge to work with my colleagues in the coming months to provide support for these important priorities.

The bill with the Young amendment represents a fair and reasonable compromise on our foreign assistance priorities. I am confident that this measure will help the United States maintain its role as a world leader, and I want to thank my colleagues again.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the subcommittee.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I only found out about this problem yesterday, and maybe there is a problem and maybe there is not. We do know that there is more than $4 billion included in this bill for Israel, which is the will of the House and the request of the administration. However, I found out yesterday that an American manufacturing company was denied to be a part of the bidding process for some airplanes for El Al Airlines in Israel.

In fact, we have been informed by the President of the American company that they were told by the President of El Al that the management of El Al made a strategic decision not to allow the American corporation into the competition.

I think, Mr. Speaker, that this is not a proper way to treat an American corporation who has thousands of American employees who are paying millions of dollars into taxes that we are then taking and giving to the State of Israel. I think this is not the right way to do business.

Maybe it is not being done as was presented to me yesterday, but certainly, Mr. Speaker, if it is being done, the Israeli-backed airline El Al ought to reconsider their decision to deny an American airplane manufacturing company to be included in the bidding process, which is to the advantage of Airbus, which is a French corporation.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume and, in conclusion, I want to again commend the distinguished leadership on the majority and minority side for their cooperation in bringing this compromise to the floor.

But I also want to acknowledge the leadership of President Clinton and the members of his cabinet who worked with us on this bill; Secretary Albright, for her important role in the world and her cooperation with our subcommittee and full committee; and Secretary Summers now, and Secretary Rubin before him earlier this year. These distinguished cabinet members provide a real service to our country in the work that they do, not only in Mr. Summers' case domestically but in his international role as well.

So I want to commend President Clinton. His priorities are excellent. He fought to have those initiatives funded, and the President is offsetting the spending. The President is offering offsets to the spending in the bill. So this is a very good resolution. We have a compromise, we have the President's initiatives respected to a certain extent, they could be more fully respected and hopefully that will emerge later, but in any case this President's spending is offset.

I commend the President for his leadership in the world. As I have said before, in our community our anthem is ''Make me a channel of God's peace,'' the anthem of St. Francis. I think President Clinton's work is allowing our country to be a channel of God's peace, and I commend him for that and urge my colleagues to vote ''aye'' on this bill.

Mr. Speaker, I yield back the balance of my time.

□ 1000

Mr. YOUNG of Florida. Mr. Speaker, I yield 1½ minutes to the gentlewoman

from Ohio (Ms. KAPTUR), who is a member of the Committee on Appropriations.

Ms. KAPTUR. Mr. Speaker, I thank the chairman of the full committee, the gentleman from Florida (Mr. YOUNG), and I do underline ''gentleman.'' I want to compliment him on carrying through these negotiations, along with the gentleman from Alabama (Mr. CALLAHAN), the chairman of the subcommittee, who have worked so vigilantly with the ranking members of the full committee, the gentleman from Wisconsin (Mr. OBEY) and also the gentlewoman from California (Ms. PELOSI), the distinguished ranking member of the subcommittee, who has done such a tremendous job in bringing a compromise measure to the floor.

I just want to say before discussion closes here that, as the Wye Accords move forward, I think it is very important for the administration and this Congress to recognize that building peace takes a long time. And we have one important ingredient of the peace process under which the subcommittee, of which I am ranking member, has something to offer; and that is using the tremendous power of our food aid programs under section 416 and P.L. 480 in the West Bank to help Israel with its desalinization efforts and also in Lebanon, because we know the funding in this bill is not sufficient to meet the needs of the peace process.

These programs have largely not been used in this region simply because of the instability of the region. But now that the peace process is moving forward, it is amazing what can be done if we look at a country like Lebanon. Using food aid creatively, monetizing it in a counterpart way, a country could double the number of villages that are being assisted.

In the West Bank this has never been used, and we know that the funds are insufficient there. So we could have a win for America for our farmers, for our rural communities. We could also have a win for the peace process. I wanted to highlight that as these discussions close this morning.

Again, we thank those here who were able to reach a final compromise and bring this measure to conclusion.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, in closing the debate on the issue of the Young amendment, again I want to thank the gentleman from Alabama (Mr. CALLAHAN), chairman of the subcommittee, for his very diligent efforts to get us to the point that we are today. Because with passage of this amendment and passage of this bill, we have overcome one of the final obstacles to having the Congress complete its work, at least its appropriations work, for the year.

I think the good news is that once we have done this, the other outstanding issues should come together fairly quickly. This was a major obstacle, and all the players have done a great job in getting us to where we are.

Mr. Speaker, I ask for a yes vote on the amendment, and then I ask for a yes vote on the bill.

Mr. SHAW. Mr. Speaker, I rise in support of H.R. 3196, the Foreign Operations Appropriation Act which includes new provisions which would provide full funding of almost $1.9 billion for the Wye River Agreement.

I would like to thank Chairman YOUNG for his leadership in ensuring that the United States maintains its international leadership around the world, but particularly in the Middle East. The history-making Wye River Agreement itself will not ensure a lasting peace and stability without the United States continued engagement and support.

This amendment offered by BILL YOUNG, my friend from Florida will enable Israel, Palestine, Jordan and Egypt to continue the difficult negotiations to which they have already committed so much. We are all aware that many difficult issues remain to be resolved, and that each of these nations will have to give even more.

I am especially grateful to some key Jewish leaders and prominent citizens in my district who have never wavered in their commitment to the Wye River Accord. They have been keeping me informed about the delicate negotiations and the need for continuing United States leadership in this very important region of the world. I urge my colleagues to support H.R. 3196 and the Young amendment.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the previous question is ordered on the bill and on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 58, not voting 24, as follows:

[Roll No. 571]

YEAS—351

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baldacci
Baldwin
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clayton
Clement
Clyburn
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Crane
Crowley
Cubin
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hayworth
Hefley
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moore
Moran (KS)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Rogan
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stupak
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—58

Baker	Gillmor	Roemer
Ballenger	Goodling	Rogers
Barr	Goss	Rohrabacher
Bartlett	Graham	Royce
Bilbray	Hansen	Ryun (KS)
Burton	Hayes	Sanford
Buyer	Herger	Schaffer
Callahan	Hill (MT)	Sensenbrenner
Chambliss	Hilleary	Sessions
Chenoweth-Hage	Hoekstra	Spence
Coble	Hostettler	Stump
Coburn	Hunter	Tancredo
Collins	Istook	Taylor (MS)
Combest	Jenkins	Thornberry
Deal	Jones (NC)	Toomey
DeMint	Largent	Upton
Doolittle	Lewis (KY)	Wamp
Duncan	Miller (FL)	Watkins
Emerson	Paul	
Everett	Petri	

NOT VOTING—24

Bereuter	Johnson, Sam	Northup
Clay	Kanjorski	Norwood
Cox	Markey	Pomeroy
Cramer	Martinez	Reyes
Cunningham	McInnis	Scarborough
Dickey	Meehan	Taylor (NC)
Gephardt	Mollohan	Towns
Hastings (WA)	Moran (VA)	Young (AK)

☐ 1023

Messrs. SCHAFFER of Colorado, BARTLETT of Maryland, ROHRABACHER, GILLMOR, BURTON of Indiana, Mrs. EMERSON and Mrs. CHENOWETH-HAGE changed their vote from ''yea'' to ''nay.''

Mr. TIAHRT and Mr. RILEY changed their vote from ''nay'' to ''yea.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NORTHUP. Mr. Speaker, on rollcall No. 571, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. CUNNINGHAM. Mr. Speaker, on rollcall No. 571, I voted with my card. I voted "yea." I noticed my name was not on the list. I voted "yea," but I am not recorded for some reason. If I had been recorded, I would have voted "yea."

The SPEAKER pro tempore (Mr. PEASE). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 316, nays 100, not voting 17, as follows:

[Roll No. 572]

YEAS—316

Abercrombie	Berkley	Brady (PA)
Ackerman	Berman	Brown (FL)
Aderholt	Biggert	Brown (OH)
Allen	Bilirakis	Bryant
Andrews	Bishop	Calvert
Armey	Blagojevich	Camp
Bachus	Bliley	Campbell
Baird	Blumenauer	Canady
Baker	Blunt	Cannon
Baldacci	Boehlert	Capps
Baldwin	Boehner	Capuano
Barcia	Bonilla	Cardin
Barrett (NE)	Bonior	Carson
Barrett (WI)	Bono	Castle
Bass	Borski	Chabot
Bateman	Boswell	Clayton
Becerra	Boucher	Clement
Bentsen	Boyd	Clyburn
Conyers	Kaptur	Porter
Cooksey	Kasich	Portman
Costello	Kelly	Price (NC)
Cox	Kennedy	Pryce (OH)
Coyne	Kildee	Quinn
Crowley	Kilpatrick	Radanovich
Cummings	Kind (WI)	Ramstad
Davis (FL)	King (NY)	Rangel
Davis (IL)	Kleczka	Regula
Davis (VA)	Klink	Reynolds
DeGette	Knollenberg	Riley
Delahunt	Kolbe	Rivers
DeLauro	Kucinich	Rodriguez
DeLay	Kuykendall	Rogan
Deutsch	LaFalce	Ros-Lehtinen
Diaz-Balart	LaHood	Rothman
Dicks	Lampson	Roybal-Allard
Dingell	Lantos	Rush
Dixon	Larson	Sabo
Doggett	Latham	Salmon
Dooley	LaTourette	Sanchez
Doyle	Lazio	Sanders
Dreier	Leach	Sandlin
Dunn	Lee	Sawyer
Edwards	Levin	Saxton
Ehlers	Lewis (CA)	Schakowsky
Ehrlich	Lewis (GA)	Scott
Engel	Linder	Serrano
English	Lipinski	Shadegg
Eshoo	LoBiondo	Shaw
Etheridge	Lofgren	Shays
Evans	Lowey	Sherman
Ewing	Luther	Shimkus
Farr	Maloney (CT)	Shows
Fattah	Maloney (NY)	Shuster
Filner	Markey	Simpson
Fletcher	Mascara	Sisisky
Foley	Matsui	Skeen
Forbes	McCarthy (MO)	Skelton
Ford	McCarthy (NY)	Slaughter
Fossella	McCollum	Smith (TX)
Fowler	McCrery	Smith (WA)
Frank (MA)	McDermott	Snyder
Franks (NJ)	McGovern	Souder
Frelinghuysen	McHugh	Spratt
Frost	McIntosh	Stabenow
Gallegly	McKeon	Stenholm
Ganske	McKinney	Strickland
Gejdenson	McNulty	Stupak
Gekas	Meek (FL)	Sununu
Gephardt	Meeks (NY)	Sweeney
Gillmor	Menendez	Talent
Gilman	Metcalf	Tauscher
Gonzalez	Mica	Tauzin
Goodlatte	Millender-McDonald	Terry
Gordon	Miller, Gary	Thomas
Granger	Miller, George	Thompson (CA)
Green (TX)	Minge	Thompson (MS)
Greenwood	Mink	Thurman
Gutierrez	Moakley	Tierney
Gutknecht	Moore	Towns
Hall (OH)	Moran (VA)	Turner
Hastings (FL)	Morella	Udall (CO)
Hayworth	Murtha	Udall (NM)
Hill (IN)	Myrick	Velazquez
Hilliard	Nadler	Vento
Hinchey	Napolitano	Visclosky
Hinojosa	Neal	Vitter
Hobson	Ney	Walden
Hoeffel	Northup	Walsh
Holden	Nussle	Waters
Holt	Oberstar	Watt (NC)
Hooley	Obey	Watts (OK)
Horn	Olver	Waxman
Houghton	Ortiz	Weiner
Hoyer	Ose	Weldon (PA)
Hulshof	Owens	Weller
Hyde	Oxley	Wexler
Inslee	Packard	Weygand
Isakson	Pallone	Whitfield
Jackson (IL)	Pascrell	Wicker
Jackson-Lee (TX)	Pastor	Wilson
Jefferson	Payne	Wise
John	Pelosi	Wolf
Johnson (CT)	Phelps	Woolsey
Johnson, E. B.	Pickering	Wu
Jones (OH)	Pickett	Wynn
		Young (FL)

NAYS—100

Archer	Burton	Condit
Ballenger	Buyer	Cook
Barr	Callahan	Crane
Bartlett	Chambliss	Cubin
Barton	Chenoweth-Hage	Cunningham
Berry	Coble	Danner
Bilbray	Coburn	Deal
Brady (TX)	Collins	DeFazio
Burr	Combest	DeMint
Doolittle	Largent	Sanford
Duncan	Lewis (KY)	Schaffer
Emerson	Lucas (KY)	Sensenbrenner
Everett	Lucas (OK)	Sessions
Gibbons	Manzullo	Sherwood
Goode	McIntyre	Smith (MI)
Goodling	Miller (FL)	Smith (NJ)
Goss	Moran (KS)	Spence
Graham	Nethercutt	Stark
Green (WI)	Paul	Stearns
Hall (TX)	Pease	Stump
Hansen	Peterson (MN)	Tancredo
Hayes	Peterson (PA)	Tanner
Hefley	Petri	Taylor (MS)
Herger	Pitts	Thornberry
Hill (MT)	Pombo	Thune
Hilleary	Pomeroy	Tiahrt
Hoekstra	Rahall	Toomey
Hostettler	Roemer	Traficant
Hunter	Rogers	Upton
Hutchinson	Rohrabacher	Wamp
Istook	Roukema	Watkins
Jenkins	Royce	Weldon (FL)
Jones (NC)	Ryan (WI)	
Kingston	Ryun (KS)	

NOT VOTING—17

Bereuter	Johnson, Sam	Norwood
Clay	Kanjorski	Reyes
Cramer	Martinez	Scarborough
Dickey	McInnis	Taylor (NC)
Gilchrest	Meehan	Young (AK)
Hastings (WA)	Mollohan	

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Mr. PETERSON of Pennsylvania and Mrs. ROUKEMA changed their vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3073

Mr. STARK. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor from H.R. 3073.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from California?

There was no objection.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3075) to amend title XVIII of the Social Security Act to make corrections and refinements in the Medicare Program, as revised by the Balanced Budget Act of 1997, as amended.

The Clerk read as follows:

H.R. 3075

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

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES TO BBA; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999''.

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) REFERENCES TO BALANCED BUDGET ACT OF 1997.—In this Act, the term ''BBA'' means the Balanced Budget Act of 1997 (Public Law 105–33).

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; references to BBA; table of contents.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

Sec. 101. One-year delay in transition for indirect medical education (IME) percentage adjustment.
Sec. 102. Decrease in reductions for disproportionate share hospitals; data collection requirements.

Subtitle B—PPS Exempt Hospitals

Sec. 111. Wage adjustment of percentile cap for PPS-exempt hospitals.
Sec. 112. Enhanced payments for long-term care and psychiatric hospitals until development of prospective payment systems for those hospitals.
Sec. 113. Per discharge prospective payment system for long-term care hospitals.
Sec. 114. Per diem prospective payment system for psychiatric hospitals.
Sec. 115. Refinement of prospective payment system for inpatient rehabilitation services.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

Sec. 121. Temporary increase in payment for certain high cost patients.
Sec. 122. Market basket increase.
Sec. 123. Authorizing facilities to elect immediate transition to Federal rate.
Sec. 124. Part A pass-through payment for certain ambulance services, prostheses, and chemotherapy drugs.
Sec. 125. Provision for part B add-ons for facilities participating in the NHCMQ demonstration project.
Sec. 126. Special consideration for facilities serving specialized patient populations.
Sec. 127. MedPAC study on special payment for facilities located in Hawaii and Alaska.

Subtitle D—Other

Sec. 131. Part A BBA technical corrections.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

Sec. 201. Modification of update adjustment factor provisions to reduce update oscillations and require estimate revisions.
Sec. 202. Use of data collected by organizations and entities in determining practice expense relative values.
Sec. 203. GAO study on resources required to provide safe and effective outpatient cancer therapy.

Subtitle B—Hospital Outpatient Services

Sec. 211. Outlier adjustment and transitional pass-through for certain medical devices, drugs, and biologicals.
Sec. 212. Establishing a transitional corridor for application of OPD PPS.
Sec. 213. Delay in application of prospective payment system to cancer center hospitals.
Sec. 214. Limitation on outpatient hospital copayment for a procedure to the hospital deductible amount.

Subtitle C—Other

Sec. 221. Application of separate caps to physical and speech therapy services.
Sec. 222. Transitional outlier payments for therapy services for certain high acuity patients.
Sec. 223. Update in renal dialysis composite rate.
Sec. 224. Temporary update in durable medical equipment and oxygen rates.
Sec. 225. Requirement for new proposed rulemaking for implementation of inherent reasonableness policy.
Sec. 226. Increase in reimbursement for pap smears.
Sec. 227. Refinement of ambulance services demonstration project.
Sec. 228. Phase-in of PPS for ambulatory surgical centers.
Sec. 229. Extension of medicare benefits for immunosuppressive drugs.
Sec. 230. Additional studies.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

Sec. 301. Adjustment to reflect administrative costs not included in the interim payment system.
Sec. 302. Delay in application of 15 percent reduction in payment rates for home health services until 1 year after implementation of prospective payment system.
Sec. 303. Clarification of surety bond requirements.
Sec. 304. Technical amendment clarifying applicable market basket increase for PPS.

Subtitle B—Direct Graduate Medical Education

Sec. 311. Use of national average payment methodology in computing direct graduate medical education (DGME) payments.
Sec. 312. Initial residency period for child neurology residency training programs.

Subtitle C—Other

Sec. 321. GAO study on geographic reclassification.
Sec. 322. MedPAC study on medicare payment for non-physician health professional clinical training in hospitals.

TITLE IV—RURAL PROVIDER PROVISIONS

Sec. 401. Permitting reclassification of certain urban hospitals as rural hospitals.
Sec. 402. Update of standards applied for geographic reclassification for certain hospitals.
Sec. 403. Improvements in the critical access hospital (CAH) program.
Sec. 404. 5-year extension of medicare dependent hospital (MDH) program.
Sec. 405. Rebasing for certain sole community hospitals.
Sec. 406. Increased flexibility in providing graduate physician training in rural areas.
Sec. 407. Elimination of certain restrictions with respect to hospital swing bed program.
Sec. 408. Grant program for rural hospital transition to prospective payment.
Sec. 409. MedPAC study of rural providers.
Sec. 410. Expansion of access to paramedic intercept services in rural areas.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

Sec. 501. Phase-in of new risk adjustment methodology.
Sec. 502. Encouraging offering of Medicare+Choice plans in areas without plans.
Sec. 503. Modification of 5-year re-entry rule for contract terminations.
Sec. 504. Continued computation and publication of AAPCC data.
Sec. 505. Changes in Medicare+Choice enrollment rules.
Sec. 506. Allowing variation in premium waivers within a service area if Medicare+Choice payment rates vary within the area.
Sec. 507. Delay in deadline for submission of adjusted community rates and related information.
Sec. 508. 2 year extension of medicare cost contracts.
Sec. 509. Medicare+Choice nursing and allied health professional education payments.
Sec. 510. Reduction in adjustment in national per capita Medicare+Choice growth percentage for 2002.
Sec. 511. Deeming of Medicare+Choice organization to meet requirements.
Sec. 512. Miscellaneous changes and studies.
Sec. 513. MedPAC report on medicare MSA (medical savings account) plans.
Sec. 514. Clarification of nonapplicability of certain provisions of discharge planning process to Medicare+Choice plans.

Subtitle B—Managed Care Demonstration Projects

Sec. 521. Extension of social health maintenance organization demonstration (SHMO) project authority.
Sec. 522. Extension of medicare community nursing organization demonstration project.
Sec. 523. Medicare+Choice competitive bidding demonstration project.
Sec. 524. Extension of medicare municipal health services demonstration projects.
Sec. 525. Medicare coordinated care demonstration project.

TITLE VI—MEDICAID

Sec. 601. Making medicaid DSH transition rule permanent.
Sec. 602. Increase in DSH allotment for certain States and the District of Columbia.
Sec. 603. New prospective payment system for Federally-qualified health centers and rural health clinics.
Sec. 604. Parity in reimbursement for certain utilization and quality control services.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

Sec. 701. Stabilizing the SCHIP allotment formula.
Sec. 702. Increased allotments for territories under the State children's health insurance program.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

SEC. 101. ONE-YEAR DELAY IN TRANSITION FOR INDIRECT MEDICAL EDUCATION (IME) PERCENTAGE ADJUSTMENT.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)), as amended by section 4621(a)(1) of BBA, is amended—

(1) in subclause (IV), by inserting ''and 2001'' after ''2000''; and

(2) by striking ''2000'' in subclause (V) and inserting ''2001''.

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF STANDARDIZED AMOUNT.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)), as amended by section 4621(a)(2) of BBA, is amended by inserting ''or any additional payments under such paragraph resulting from the amendment made by section 101(a) of Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999'' after ''Balanced Budget Act of 1997''.

SEC. 102. DECREASE IN REDUCTIONS FOR DISPROPORTIONATE SHARE HOSPITALS; DATA COLLECTION REQUIREMENTS.

(a) IN GENERAL.—Section 1886(d)(5)(F)(ix) (42 U.S.C. 1395ww(d)(5)(F)(ix)), as added by section 4403(a) of BBA, is amended—

(1) in subclause (III), by striking ''during fiscal year 2000'' and inserting ''during each of fiscal years 2000 and 2001'';

(2) by striking subclause (IV);

(3) by redesignating subclauses (V) and (VI) and subclauses (IV) and (V), respectively; and

(4) in subclause (IV), as so redesignated, by striking ''reduced by 5 percent'' and inserting ''reduced by 4 percent''.

(b) DATA COLLECTION.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall require any subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)) to submit to the Secretary, in the cost reports submitted to the Secretary by such hospital for discharges occurring during a fiscal year, data on the costs incurred by the hospital for providing inpatient and outpatient hospital services for which the hospital is not compensated, including non-medicare bad debt, charity care, and charges for medicaid an indigent care.

(2) EFFECTIVE DATE.—The Secretary shall require the submission of the data described in paragraph (1) in cost reports for cost reporting periods beginning on or after the date of the enactment of this Act.

Subtitle B—PPS-Exempt Hospitals

SEC. 111. WAGE ADJUSTMENT OF PERCENTILE CAP FOR PPS-EXEMPT HOSPITALS.

(a) IN GENERAL.—Section 1886(b)(3)(H) (42 U.S.C. 1395ww(b)(3)(H)), as amended by section 4414 of BBA, is amended—

(1) in clause (i), by inserting '', as adjusted under clause (iii)'' before the period,

(2) in clause (ii), by striking ''clause (i)'' and ''such clause'' and inserting ''subclause (I)'' and ''such subclause'' respectively,

(3) by striking ''(H)(i)'' and inserting ''(ii)(I)'',

(4) by redesignating clauses (ii) and (iii) as subclauses (II) and (III),

(5) by inserting after clause (ii), as so redesignated, the following new clause:

''(iii) In applying clause (ii)(I) in the case of a hospital or unit, the Secretary shall provide for an appropriate adjustment to the labor-related portion of the amount determined under such subparagraph to take into account differences between average wage-related costs in the area of the hospital and the national average of such costs within the same class of hospital.'', and

(6) by inserting before clause (ii), as so redesignated, the following new clause:

''(H)(i) In the case of a hospital or unit that is within a class of hospital described in clause (iv), for a cost reporting period beginning during fiscal years 1998 through 2002, the target amount for such a hospital or unit may not exceed the amount as updated up to or for such cost reporting period under clause (ii).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to cost reporting periods beginning on or after October 1, 1999.

SEC. 112. ENHANCED PAYMENTS FOR LONG-TERM CARE AND PSYCHIATRIC HOSPITALS UNTIL DEVELOPMENT OF PROSPECTIVE PAYMENT SYSTEMS FOR THOSE HOSPITALS.

Section 1886(b)(2) (42 U.S.C. 1395ww(b)(2)), as added by section 4415(b) of BBA, is amended—

(1) in subparagraph (A), by striking ''In addition to'' and inserting ''Except as provided in subparagraph (E), in addition to''; and

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

''(E)(i) In the case of an eligible hospital that is a hospital or unit that is within a class of hospital described in clause (ii) with a 12-month cost reporting period beginning before the enactment of this subparagraph, in determining the amount of the increase under subparagraph (A), the Secretary shall substitute for the percentage of the target amount applicable under subparagraph (A)(ii)—

''(I) for a cost reporting period beginning on or after October 1, 2000, and before September 30, 2001, 1.5 percent; and

''(II) for a cost reporting period beginning on or after October 1, 2001, and before September 30, 2002, 2 percent.

''(ii) For purposes of clause (i), each of the following shall be treated as a separate class of hospital:

''(I) Hospitals described in clause (i) of subsection (d)(1)(B) and psychiatric units described in the matter following clause (v) of such subsection.

''(II) Hospitals described in clause (iv) of such subsection.''.

SEC. 113. PER DISCHARGE PROSPECTIVE PAYMENT SYSTEM FOR LONG-TERM CARE HOSPITALS.

(a) DEVELOPMENT OF SYSTEM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a per discharge prospective payment system for payment for inpatient hospital services of long-term care hospitals described in section 1886(d)(1)(B)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)(iv)) under the medicare program. Such system shall include an adequate patient classification system that is based on diagnosis-related groups (DRGs) and that reflects the differences in patient resource use and costs, and shall maintain budget neutrality.

(2) COLLECTION OF DATA AND EVALUATION.—In developing the system described in paragraph (1), the Secretary may require such long-term care hospitals to submit such information to the Secretary as the Secretary may require to develop the system.

(b) REPORT.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Notwithstanding section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by long-term care hospitals under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the system described in subsection (a).

SEC. 114. PER DIEM PROSPECTIVE PAYMENT SYSTEM FOR PSYCHIATRIC HOSPITALS.

(a) DEVELOPMENT OF SYSTEM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a per diem prospective payment system for payment for inpatient hospital services of psychiatric hospitals and units (as defined in paragraph (3)) under the medicare program. Such system shall include an adequate patient classification system that reflects the differences in patient resource use and costs among such hospitals and shall maintain budget neutrality.

(2) COLLECTION OF DATA AND EVALUATION.—In developing the system described in paragraph (1), the Secretary may require such psychiatric hospitals and units to submit such information to the Secretary as the Secretary may require to develop the system.

(3) DEFINITION.—In this section, the term ''psychiatric hospitals and units'' means a psychiatric hospital described in clause (i) of section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)) and psychiatric units described in the matter following clause (v) of such section.

(b) REPORT.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Notwithstanding section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by psychiatric hospitals and units under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the prospective payment system established by the Secretary under this section in a budget neutral manner.

SEC. 115. REFINEMENT OF PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT REHABILITATION SERVICES.

(a) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT RATE WITHOUT PHASE-IN.—

(1) IN GENERAL.—Paragraph (1) of section 1886(j) (42 U.S.C. 1395ww(j)), as added by section 4421(a) of BBA, is amended—

(A) in subparagraph (C), by inserting ''subject to subparagraph (E),'' after ''subparagraph (A),''; and

(B) by adding at the end the following new subparagraph:

''(E) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT SYSTEM.—A rehabilitation facility may elect for either or both cost reporting periods described in subparagraph (C) to have the TEFRA percentage and prospective payment percentage set at 0 percent and 100 percent, respectively, for the facility.''.

(2) BUDGET NEUTRALITY IN APPLICATION.—Paragraph (3)(B) of such section is amended by inserting ''and taking into account the election permitted under paragraph (1)(E)'' after ''in the Secretary's estimation''.

(3) CASE MIX CREEP ADJUSTMENT.—Paragraph (2)(C) of such section is amended by adding at the end the following new clauses:

''(iii) EXAMINATION OF CHANGES IN CASE MIX.—The Secretary, upon obtaining substantially complete data from fiscal year 2001, shall analyze the extent to which the changes in case mix during that fiscal year are attributable to changes in coding and classification and do not reflect real changes in case mix.

''(iv) INITIAL ADJUSTMENT OF RATES IN FISCAL YEAR 2004.—Based on the analysis performed under clause (iii) in determining the amount of case mix change due merely to changes in coding or classification, the Secretary shall adjust the prospective payment amounts for fiscal year 2004 by 150 percent of the Secretary's estimate of the percentage adjustment to the prospective payment rate under this paragraph that would have achieved budget neutrality in fiscal year 2001 if it had applied in setting the rates for that fiscal year.

''(v) FINAL ADJUSTMENT OF RATES IN FISCAL YEAR 2005.—In the case that the adjustment under clause (iv) resulted in—

''(I) a percentage decrease in rates, the Secretary shall increase the prospective payment amounts for fiscal year 2005 by a percentage equal to ⅓ of such percentage decrease; or

''(II) a percentage increase in rates, the Secretary shall decrease the prospective payment amounts for fiscal year 2005 by a percentage equal to ⅓ of such percentage increase.''.

(b) USE OF DISCHARGE AS PAYMENT UNIT.—

(1) IN GENERAL.—Paragraph (1)(D) of such section is amended by striking '', day of inpatient hospital services, or other unit of payment defined by the Secretary''.

(2) CONFORMING AMENDMENT TO CLASSIFICATION.—Paragraph (2)(A) of such section is amended by amending clause (i) of to read as follows:

''(i) classes of patient discharges of rehabilitation facilities by functional-related groups (each in this subsection referred to as a 'case mix group'), based on impairment, age, comorbidities, and functional capability of the patient and such other factors as the Secretary deems appropriate to improve the explanatory power of functional independence measure-function related groups; and''.

(3) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Paragraph (1) of such section, as amended by subsection (a)(1), is further amended by adding at the end the following new subparagraph:

''(F) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Nothing in this subsection shall be construed as preventing the Secretary from providing for an adjustment to payments to take into account the early transfer of a patient from a rehabilitation facility to another site of care.''.

(c) STUDY ON IMPACT OF IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the impact on utilization and beneficiary access to services of the implementation of the medicare prospective payment system for inpatient hospital services or rehabilitation facilities under section 1886(j) of the Social Security Act (as added by section 4421(a) of BBA).

(2) REPORT.—Not later than 3 years after the date such system is first implemented, the Secretary shall submit to Congress a report on such study.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) are effective as if included in the enactment of section 4421(a) of BBA.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

SEC. 121. TEMPORARY INCREASE IN PAYMENT FOR CERTAIN HIGH COST PATIENTS.

(a) ADJUSTMENT FOR MEDICALLY COMPLEX PATIENTS UNTIL ESTABLISHMENT OF REFINED CASE-MIX ADJUSTMENT.—For purposes of computing payments for covered skilled nursing facility services under paragraph (1) of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, for such services furnished on or after April 1, 2000, and before October 1, 2000, the Secretary of Health and Human Services shall increase by 10 percent the adjusted Federal per diem rate otherwise determined under paragraph (4) of such section (but for this section) for covered skilled nursing facility services for RUG–III groups described in subsection (b) furnished to an individual during the period in which such individual is classified in such a RUG–III category.

(b) GROUPS DESCRIBED.—The RUG–III groups for which the adjustment described in subsection (a) applies are SE3, SE2, SE1, SSC, SSB, SSA, CC2, CC1, CB2, CB1, CA2, and CA1, as specified in Tables 3 and 4 of the final rule published in the Federal Register by the Health Care Financing Administration on July 30, 1999 (64 Fed. Reg. 41684).

SEC. 122. MARKET BASKET INCREASE.

Section 1888(e)(4)(E)(ii) (42 U.S.C. 1395yy(e)(4)(E)(ii)) is amended—

(1) by redesignating subclause (III) as subclause (IV); and

(2) by striking subclause (II) and inserting after subclause (I) the following:

''(II) for fiscal year 2001, the rate computed for fiscal year 2000 (determined without regard to section 121 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999) increased by the skilled nursing facility market basket percentage change for the fiscal year involved plus 0.8 percentage point;

''(III) for fiscal year 2002, the rate computed for the previous fiscal year increased by the skilled nursing facility market basket percentage change for the fiscal year involved minus 1 percentage point; and''.

SEC. 123. AUTHORIZING FACILITIES TO ELECT IMMEDIATE TRANSITION TO FEDERAL RATE.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking ''paragraph (7)'' and inserting ''paragraphs (7) and (11)''; and

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

''(11) PERMITTING FACILITIES TO WAIVE 3-YEAR TRANSITION.—Notwithstanding paragraph (1)(A), a facility may elect to have the amount of the payment for all costs of covered skilled nursing facility services for each day of such services furnished in cost reporting periods beginning after the date of such election determined pursuant to subparagraph (B) of paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to elections made more than 60 days after the date of enactment of this Act.

SEC. 124. PART A PASS-THROUGH PAYMENT FOR CERTAIN AMBULANCE SERVICES, PROSTHESES, AND CHEMOTHERAPY DRUGS.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (2)(A)(i)(II), by striking ''services described in clause (ii)'' and inserting ''items and services described in clauses (ii) and (iii)'';

(2) by adding at the end of paragraph (2)(A) the following new clause:

''(iii) EXCLUSION OF CERTAIN ADDITIONAL ITEMS.—Items described in this clause are the following:

''(I) Ambulance services furnished to an individual in conjunction with renal dialysis services described in section 1861(s)(2)(F).

''(II) Chemotherapy items (identified as of July 1, 1999, by HCPCS codes J9000–J9020; J9040–J9151; J9170–J9185; J9200–J9201; J9206–J9208; J9211; J9230–J9245; and J9265–J9600 (and as subsequently modified by the Secretary)).

''(III) Chemotherapy administration services (identified as of July 1, 1999, by HCPCS codes 36260–36262; 36489; 36530–36535; 36640; 36823; and 96405–96542 (and as subsequently modified by the Secretary)).

''(IV) Radioisotope services (identified as of July 1, 1999, by HCPCS codes 79030–79440 (and as subsequently modified by the Secretary)).

''(V) Customized prosthetic devices (commonly known as artificial limbs or components or artifical limbs) under the following HCPCS codes (as of July 1, 1999 (and as subsequently modified by the Secretary)) if delivered to an inpatient for use during the stay in the skilled nursing facility and intended to be used by the individual after discharge from the facility: L5050–L5340; L5500–L5610; L5613–L5986; L5988; L6050–L6370; L6400–L6880; L6920–L7274; and L7362–7366.''; and

(3) by adding at the end of paragraph (9) the following: ''In the case of an item or service described in clause (iii) of paragraph (2)(A) that would be payable under part A but for the exclusion of such item or service under such clause, payment shall be made for the item or service, in an amount otherwise determined under part B of this title for such item or service, from the Federal Hospital Insurance Trust Fund under section 1817 (rather than from the Federal Supplementary Medical Insurance Trust Fund under section 1841).''.

(b) CONFORMING FOR BUDGET NEUTRALITY BEGINNING WITH FISCAL YEAR 2001.—Section 1888(e)(4)(G) (42 U.S.C. 1395yy(e)(4)(G)) is amended by adding at the end the following new clause:

''(iii) ADJUSTMENT FOR EXCLUSION OF CERTAIN ADDITIONAL ITEMS.—The Secretary shall provide for an appropriate proportional reduction in payments so that beginning with fiscal year 2001, the aggregate amount of such reductions is equal to the aggregate increase in payments attributable to the exclusion effected under clause (iii) of paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made for items furnished on or after April 1, 2000.

SEC. 125. PROVISION FOR PART B ADD-ONS FOR FACILITIES PARTICIPATING IN THE NHCMQ DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 1888(e)(3) (42 U.S.C. 1395yy(e)(3)), as added by section 4432(a) of BBA, is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting ''or, in the case of a facility participating in the Nursing Home Case-Mix and Quality Demonstration (RUGS–III), the RUGS–III rate received by the facility during the cost reporting period beginning in 1997'' after ''to non-settled cost reports''; and

(B) in clause (ii), by striking ''furnished during such period'' and inserting ''furnished during the applicable cost reporting period described in clause (i)''; and

(2) by amending subparagraph (B) to read as follows:

''(B) UPDATE TO FIRST COST REPORTING PERIOD.—The Secretary shall update the amount determined under subparagraph (A), for each cost reporting period after the applicable cost reporting period described in subparagraph (A)(i) and up to the first cost reporting period by a factor equal to the skilled nursing facility market basket percentage increase minus 1 percentage point (except that for the cost reporting period beginning in fiscal year 2001, the factor shall be equal to such market basket percentage plus 0.8 percentage point).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of section 4432(a) of BBA.

SEC. 126. SPECIAL CONSIDERATION FOR FACILITIES SERVING SPECIALIZED PATIENT POPULATIONS.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as amended by section 123(a)(1), is further amended—

(1) in paragraph (1), by striking ''subject to paragraphs (7) and (11)'' and inserting ''subject to paragraphs (7), (11), and (12)''; and

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

''(12) PAYMENT RULE FOR CERTAIN FACILITIES.—

''(A) IN GENERAL.—In the case of a qualified acute skilled nursing facility described in subparagraph (B), the per diem amount of

payment shall be determined by applying the non-Federal percentage and Federal percentage specified in paragraph (2)(C)(ii).

''(B) FACILITY DESCRIBED.—For purposes of subparagraph (A), a qualified acute skilled nursing facility is a facility that—

''(i) was certified by the Secretary as a skilled nursing facility eligible to furnish services under this title before July 1, 1992;

''(ii) is a hospital-based facility; and

''(iii) for the cost reporting period beginning in fiscal year 1998, the facility had more than 60 percent of total patient days comprised of patients who are described in subparagraph (C).

''(C) DESCRIPTION OF PATIENTS.—For purposes of subparagraph (B), a patient described in this subparagraph is an individual who—

''(i) is entitled to benefits under part A; and

''(ii) is immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply for the period beginning on the date on which after the date of the enactment of this Act the first cost reporting period of the facility begins and ending on September 30, 2001, and applies to skilled nursing facilities furnishing covered skilled nursing facility services on the date of the enactment of this Act for which payment is made under title XVIII of the Social Security Act.

(c) REPORT TO CONGRESS.—By not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall assess the resource use of patients of skilled nursing facilities furnishing services under the medicare program who are immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary (under paragraph (12)(C), as added by subsection (a), of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e))) to determine whether any permanent adjustments are needed to the RUGs to take into account the resource uses and costs of these patients.

SEC. 127. MEDPAC STUDY ON SPECIAL PAYMENT FOR FACILITIES LOCATED IN HAWAII AND ALASKA.

(a) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on skilled nursing facilities furnishing covered skilled nursing facility services (as defined in section 1888(e)(2)(A) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)) to determine the need for an additional payment amount under section 1888(e)(4)(G) of such Act (42 U.S.C. 1395yy(e)(4)(G)) to take into account the unique circumstances of skilled nursing facilities located in Alaska and Hawaii.

(b) REPORT.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit a report to Congress on the study conducted under subsection (a).

Subtitle D—Other

SEC. 131. PART A BBA TECHNICAL CORRECTIONS.

(a) SECTION 4201.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)), as amended by section 4201(a) of BBA, is amended by striking ''and is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)) that'' and inserting ''that is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)), and that''.

(b) SECTION 4204.—(1) Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(A) in clause (i), by striking ''or beginning on or after October 1, 1997, and before October 1, 2001,'' and inserting ''or discharges on or after October 1, 1997, and before October 1, 2001,''; and

(B) in clause (ii)(II), by striking ''or beginning on or after October 1, 1997, and before October 1, 2001,'' and inserting ''or discharges on or after October 1, 1997, and before October 1, 2001,''.

(2) Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended in the matter preceding clause (i) by striking ''and for cost reporting periods beginning on or after October 1, 1997, and before October 1, 2001,'' and inserting ''and for discharges beginning on or after October 1, 1997, and before October 1, 2001,''.

(c) SECTION 4319.—Section 1847(b)(2) (42 U.S.C. 1395w–3(b)(2)), as added by section 4319 of BBA, is amended by inserting ''and'' after ''specified by the Secretary''.

(d) SECTION 4401.—Section 4401(b)(1)(B) of BBA (42 U.S.C. 1395ww note) is amended by striking ''section 1886(b)(3)(B)(i)(XIII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIII))'' and inserting ''section 1886(b)(3)(B)(i)(XIV) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIV))''.

(e) SECTION 4402.—The last sentence of section 1886(g)(1)(A) (42 U.S.C. 1395ww(g)(1)(A)), as added by section 4402 of BBA, is amended by striking ''September 30, 2002,'' and inserting ''October 1, 2002,''.

(f) SECTION 4419.—The first sentence of section 1886(b)(4)(A)(i) (42 U.S.C. 1395ww(b)(4)(A)(i)), as amended by section 4419(a)(1) of BBA, by striking ''or unit''.

(g) SECTION 4442.—Section 4442(b) of BBA (42 U.S.C. 1395f note) is amended by striking ''applies to cost reporting periods beginning'' and inserting ''applies to items and services furnished''.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of BBA.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

SEC. 201. MODIFICATION OF UPDATE ADJUSTMENT FACTOR PROVISIONS TO REDUCE UPDATE OSCILLATIONS AND REQUIRE ESTIMATE REVISIONS.

(a) UPDATE ADJUSTMENT FACTOR.—

(1) IN GENERAL.—Section 1848(d) (42 U.S.C. 1395w–4(d)) is amended—

(A) in paragraph (3)—

(i) in the heading, by inserting ''FOR 1999 AND 2000'' after ''UPDATE'';

(ii) in subparagraph (A), by striking ''a year beginning with 1999'' and inserting ''1999 and 2000''; and

(iii) in subparagraph (C), by inserting ''and paragraph (4)'' after ''For purposes of this paragraph''; and

(B) by adding at the end the following new paragraph:

''(4) UPDATE FOR YEARS BEGINNING WITH 2001.—

''(A) IN GENERAL.—Unless otherwise provided by law, subject to the budget-neutrality factor determined by the Secretary under subsection (c)(2)(B)(ii) and subject to adjustment under subparagraph (F), the update to the single conversion factor established in paragraph (1)(C) for a year beginning with 2001 is equal to the product of—

''(i) 1 plus the Secretary's estimate of the percentage increase in the MEI (as defined in section 1842(i)(3)) for the year (divided by 100), and

''(ii) 1 plus the Secretary's estimate of the update adjustment factor under subparagraph (B) for the year.

''(B) UPDATE ADJUSTMENT FACTOR.—For purposes of subparagraph (A)(ii), subject to subparagraph (D), the 'update adjustment factor' for a year is equal (as estimated by the Secretary) to the sum of the following:

''(i) PRIOR YEAR ADJUSTMENT COMPONENT.—An amount determined by—

''(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services for the prior year (as determined under subparagraph (C)) and the amount of the actual expenditures for such services for that year;

''(II) dividing that difference by the amount of the actual expenditures for such services for that year; and

''(III) multiplying that quotient by 0.75.

''(ii) CUMULATIVE ADJUSTMENT COMPONENT.—An amount determined by—

''(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services (as determined under subparagraph (C)) from April 1, 1996, through the end of the prior year and the amount of the actual expenditures for such services during that period;

''(II) dividing that difference by actual expenditures for such services for the prior year as increased by the sustainable growth rate under subsection (f) for the year for which the update adjustment factor is to be determined; and

''(III) multiplying that quotient by 0.33.

''(C) DETERMINATION OF ALLOWED EXPENDITURES.—For purposes of this paragraph:

''(i) PERIOD UP TO APRIL 1, 1999.—The allowed expenditures for physicians' services for a period before April 1, 1999, shall be the amount of the allowed expenditures for such period as determined under paragraph (3)(C).

''(ii) TRANSITION TO CALENDAR YEAR ALLOWED EXPENDITURES.—Subject to subparagraph (E), the allowed expenditures for—

''(I) the 9-month period beginning April 1, 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such period; and

''(II) the year of 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such year.

''(iii) YEARS BEGINNING WITH 2000.—The allowed expenditures for a year (beginning with 2000) is equal to the allowed expenditures for physicians' services for the previous year, increased by the sustainable growth rate under subsection (f) for the year involved.

''(D) RESTRICTION ON UPDATE ADJUSTMENT FACTOR.—The update adjustment factor determined under subparagraph (B) for a year may not be less than -0.07 or greater than 0.03.

''(E) RECALCULATION OF ALLOWED EXPENDITURES FOR UPDATES BEGINNING WITH 2001.—For purposes of determining the update adjustment factor for a year beginning with 2001, the Secretary shall recompute the allowed expenditures for previous periods beginning on or after April 1, 1999, consistent with subsection (f)(3).

''(F) TRANSITIONAL ADJUSTMENT DESIGNED TO PROVIDE FOR BUDGET NEUTRALITY.—Under this subparagraph the Secretary shall provide for an adjustment to the update under subparagraph (A)—

''(i) for each of 2001, 2002, 2003, and 2004, of -0.2 percent; and

''(ii) for 2005 of +0.8 percent.''.

(2) PUBLICATION CHANGE.—

(A) IN GENERAL.—Section 1848(d)(1)(E) (42 U.S.C. 1395w–4(d)(1)(E)) is amended to read as follows:

''(E) PUBLICATION AND DISSEMINATION OF INFORMATION.—The Secretary shall—

''(i) cause to have published in the Federal Register not later than November 1 of each year (beginning with 2000) the conversion

factor which will apply to physicians' services for the succeeding year, the update determined under paragraph (4) for such succeeding year, and the allowed expenditures under such paragraph for such succeeding year; and

''(ii) make available to the Medicare Payment Advisory Commission and the public by March 1 of each year (beginning with 2000) an estimate of the sustainable growth rate and of the conversion factor which will apply to physicians' services for the succeeding year and data used in making such estimate.''.

(B) MEDPAC REVIEW OF CONVERSION FACTOR ESTIMATES.—Section 1805(b)(1)(D) (42 U.S.C. 1395b–6(b)(1)(D)) is amended by inserting ''and including a review of the estimate of the conversion factor submitted under section 1848(d)(1)(E)(ii)'' before the period at the end.

(C) 1-TIME PUBLICATION OF INFORMATION ON TRANSITION.—The Secretary of Health and Human Services shall cause to have published in the Federal Register, not later than 90 days after the date of the enactment of this section, the Secretary's determination, based upon the best available data, of—

(i) the allowed expenditures under subclauses (I) and (II) of section 1848(d)(4)(C)(ii) of the Social Security Act, as added by subsection (a)(1)(B), for the 9-month period beginning on April 1, 1999, and for 1999;

(ii) the estimated actual expenditures described in section 1848(d) of such Act for 1999; and

(iii) the sustainable growth rate under section 1848(f) of such Act (42 U.S.C. 1395w–4(f)) for 2000.

(3) CONFORMING AMENDMENTS.—

(A) Section 1848 (42 U.S.C. 1395w–4) is amended—

(i) in subsection (d)(1)(A), by inserting ''(for years before 2001) and, for years beginning with 2001, multiplied by the update (established under paragraph (4)) for the year involved'' after ''for the year involved''; and

(ii) in subsection (f)(2)(D), by inserting ''or (d)(4)(B), as the case may be'' after ''(d)(3)(B)''.

(B) Section 1833(l)(4)(A)(i)(VII) (42 U.S.C. 1395l(l)(4)(A)(i)(VII)) is amended by striking ''1848(d)(3)'' and inserting ''1848(d)''.

(b) SUSTAINABLE GROWTH RATES.—Section 1848(f) (42 U.S.C. 1395w–4(f)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) PUBLICATION.—The Secretary shall cause to have published in the Federal Register not later than—

''(A) November 1, 2000, the sustainable growth rate for 2000 and 2001; and

''(B) November 1 of each succeeding year the sustainable growth rate for such succeeding year and each of the preceding 2 years.'';

(2) in paragraph (2)—

(A) in the matter before subparagraph (A), by striking ''fiscal year 1998)'' and inserting ''fiscal year 1998 and ending with fiscal year 2000) and a year beginning with 2000''; and

(B) in subparagraphs (A) through (D), by striking ''fiscal year'' and inserting ''applicable period'' each place it appears;

(3) in paragraph (3), by adding at the end the following new subparagraph:

''(C) APPLICABLE PERIOD.—The term 'applicable period' means—

''(i) a fiscal year, in the case of fiscal year 1998, fiscal year 1999, and fiscal year 2000; or

''(ii) a calendar year with respect to a year beginning with 2000;

as the case may be.'';

(4) by redesignating paragraph (3) as paragraph (4); and

(5) by inserting after paragraph (2) the following new paragraph:

''(3) DATA TO BE USED.—For purposes of determining the update adjustment factor under subsection (d)(4)(B) for a year beginning with 2001, the sustainable growth rates taken into consideration in the determination under paragraph (2) shall be determined as follows:

''(A) FOR 2001.—For purposes of such calculations for 2001, the sustainable growth rates for fiscal year 2000 and the years 2000 and 2001 shall be determined on the basis of the best data available to the Secretary as of September 1, 2000.

''(B) FOR 2002.—For purposes of such calculations for 2002, the sustainable growth rates for fiscal year 2000 and for years 2000, 2001, and 2002 shall be determined on the basis of the best data available to the Secretary as of September 1, 2001.

''(C) FOR 2003 AND SUCCEEDING YEARS.—For purposes of such calculations for a year after 2002—

''(i) the sustainable growth rates for that year and the preceding 2 years shall be determined on the basis of the best data available to the Secretary as of September 1 of the year preceding the year for which the calculation is made; and

''(ii) the sustainable growth rate for any year before a year described in clause (i) shall be the rate as most recently determined for that year under this subsection.

Nothing in this paragraph shall be construed as affecting the sustainable growth rates established for fiscal year 1998 or fiscal year 1999.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective in determining the conversion factor under section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) for years beginning with 2001 and shall not apply to or affect any update (or any update adjustment factor) for any year before 2001.

SEC. 202. USE OF DATA COLLECTED BY ORGANIZATIONS AND ENTITIES IN DETERMINING PRACTICE EXPENSE RELATIVE VALUES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall establish by regulation (after notice and opportunity for public comment) a process (including data collection standards) under which the Secretary will accept for use and will use, to the maximum extent practicable consistent with sound data practices, data collected or developed by entities and organizations (other than the Department of Health and Human Services) to supplement the data normally collected by that Department in determining the practice expense component under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(C)(ii)) for purposes of determining relative values for payment for physicians' services under the fee schedule under section 1848 of such Act (42 U.S.C. 1395w–4). The Secretary shall first promulgate such regulation on an interim final basis in a manner that permits the submission and use of data in the computation of practice expense relative value units for payment rates for 2001.

(b) PUBLICATION OF INFORMATION.—The Secretary shall include, in the publication of the estimated and final updates under section 1848(c) of such Act (42 U.S.C. 1395w–4(c)) for payments for 2001 and for 2002, a description of the process established under subsection (a) for the use of external data in making adjustments in relative value units and the extent to which the Secretary has used such external data in making such adjustments for each such year, particularly in cases in which the data otherwise used are inadequate because they are not based upon a large enough sample size to be statistically reliable.

SEC. 203. GAO STUDY ON RESOURCES REQUIRED TO PROVIDE SAFE AND EFFECTIVE OUTPATIENT CANCER THERAPY.

(a) STUDY .—The Comptroller General of the United States shall conduct a nationwide study to determine the physician and nonphysician clinical resources necessary to provide safe outpatient cancer therapy services and the appropriate payment rates for such services under the medicare program. In making such determination, the Comptroller General shall—

(1) determine the adequacy of practice expense relative value units associated with the utilization of those clinical resources;

(2) determine the adequacy of work units in the practice expense formula; and

(3) assess various standards to assure the provision of safe outpatient cancer therapy services.

(b) REPORT TO CONGRESS.—The Comptroller General shall submit to Congress a report on the study conducted under subsection (a). The report shall include recommendations regarding practice expense adjustments to the payment methodology under part B of the medicare program, including the development and inclusion of adequate work units to assure the adequacy of payment amounts for safe outpatient cancer therapy services. The study shall also include an estimate of the cost of implementing such recommendations.

Subtitle B—Hospital Outpatient Services

SEC. 211. OUTLIER ADJUSTMENT AND TRANSITIONAL PASS-THROUGH FOR CERTAIN MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.

(a) OUTLIER ADJUSTMENT.—Section 1833(t) (42 U.S.C. 1395l(t)), as added by section 4523(a) of BBA, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (7) through (11), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

''(5) OUTLIER ADJUSTMENT.—

''(A) IN GENERAL.—The Secretary shall provide for an additional payment for each covered OPD service (or group of services) for which a hospital's charges, adjusted to cost, exceed—

''(i) a fixed multiple of the sum of—

''(I) the applicable Medicare OPD fee schedule amount determined under paragraph (3)(D), as adjusted under paragraph (4)(A) (other than for adjustments under this paragraph or paragraph (6)); and

''(II) any transitional pass-through payment under paragraph (6); and

''(ii) at the option of the Secretary, such fixed dollar amount as the Secretary may establish.

''(B) AMOUNT OF ADJUSTMENT.—The amount of the additional payment under subparagraph (A) shall be determined by the Secretary and shall approximate the marginal cost of care beyond the applicable cutoff point under such subparagraph.

''(C) LIMIT ON AGGREGATE OUTLIER ADJUSTMENTS.—

''(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means a percentage specified by the Secretary up to (but not to exceed)—

''(I) for a year (or portion of a year) before 2004, 2.5 percent; and

''(II) for 2004 and thereafter, 3.0 percent.''.

(b) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—Such section is further amended by inserting after paragraph (5) the following new paragraph:

''(6) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—

''(A) IN GENERAL.—The Secretary shall provide for an additional payment under this paragraph for any of the following that are provided as part of a covered OPD service (or group of services):

''(i) CURRENT ORPHAN DRUGS.—A drug or biological that is used for a rare disease or condition with respect to which the drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act if payment for the drug or biological as an outpatient hospital service under this part was being made on the first date that the system under this subsection is implemented.

''(ii) CURRENT CANCER THERAPY DRUGS AND BIOLOGICALS.—A drug or biological that is used in cancer therapy, including (but not limited to) a chemotherapeutic agent, antiemetic, hematopoietic growth factor, colony stimulating factor, a biological response modifier, and a bisphosponate, or brachytherapy, if payment for such drug, biological, or device as an outpatient hospital service under this part was being made on such first date.

''(iii) NEW MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—A medical device, drug, or biological not described in clause (i) or (ii) if—

''(I) payment for the device, drug, or biological as an outpatient hospital service under this part was not being made as of December 31, 1996; and

''(II) the cost of the device, drug, or biological is not insignificant in relation to the OPD fee schedule amount (as calculated under paragraph (3)(D)) payable for the service (or group of services) involved.

''(B) LIMITED PERIOD OF PAYMENT.—The payment under this paragraph with respect to a medical device, drug, or biological shall only apply during a period of at least 2 years, but not more than 3 years, that begins—

''(i) on the first date this subsection is implemented in the case of a drug or biological described in clause (i) or (ii) of subparagraph (A) and in the case of a device, drug, or biological described in subparagraph (A)(iii) for which payment under this part is made as an outpatient hospital service before such first date; or

''(ii) in the case of a device, drug, or biological described in subparagraph (A)(iii) not described in clause (i), on the first date on which payment is made under this part for the device, drug, or biological as an outpatient hospital service.

''(C) AMOUNT OF ADDITIONAL PAYMENT.—Subject to subparagraph (D)(iii), the amount of the payment under this paragraph with respect to a device, drug, or biological provided as part of a covered OPD service is—

''(i) in the case of a drug or biological, the amount by which the amount determined under section 1842(o) for the drug or biological exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the drug or biological; or

''(ii) in the case of a medical device, the amount by which the hospital's charges for the device, adjusted to cost, exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the device.

''(D) LIMIT ON AGGREGATE ANNUAL ADJUSTMENT.—

''(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means—

''(I) for a year (or portion of a year) before 2004, 2.5 percent; and

''(II) for 2004 and thereafter, a percentage specified by the Secretary up to (but not to exceed) 2.0 percent.

''(iii) UNIFORM PROSPECTIVE REDUCTION IF AGGREGATE LIMIT PROJECTED TO BE EXCEEDED.—If the Secretary projects or estimates before the beginning of a year that the amount of the additional payments under this paragraph for the year (or portion thereof) as determined under clause (i) without regard to this clause) will exceed the limit established under such clause, the Secretary shall reduce pro rata the amount of each of the additional payments under this paragraph for that year (or portion thereof) in order to ensure that the aggregate additional payments under this paragraph (as so projected or estimated) do not exceed such limit.''.

(c) APPLICATION OF NEW ADJUSTMENTS ON A BUDGET NEUTRAL BASIS.—Section 1833(t)(2)(E) (42 U.S.C. 1395l(t)(2)(E)) is amended by striking ''other adjustments, in a budget neutral manner, as determined to be necessary to ensure equitable payments, such a outlier adjustments or'' and inserting '', in a budget neutral manner, outlier adjustments under paragraph (5) and transitional pass-through payments under paragraph (6) and other adjustments as determined to be necessary to ensure equitable payments, such as''.

(d) LIMITATION ON JUDICIAL REVIEW FOR NEW ADJUSTMENTS.—Section 1833(t)(11), as redesignated by subsection (a)(1), is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; and''; and

(3) by adding at the end the following:

''(E) the determination of the fixed multiple, or a fixed dollar cutoff amount, the marginal cost of care, or applicable percentage under paragraph (5) or the determination of insignificance of cost, the duration of the additional payments (consistent with paragraph (6)(B)), the portion of the Medicare OPD fee schedule amount associated with particular devices, drugs, or biologicals, and the application of any pro rata reduction under paragraph (6).''.

(e) INCLUSION OF MEDICAL DEVICES UNDER SYSTEM.—Section 1833(t) (42 U.S.C. 1395l(t)) is amended—

(1) in paragraph (1)(B)(ii), by striking ''clause (iii)'' and inserting ''clause (iv)'' and by striking ''but'';

(2) by redesignating clause (iii) of paragraph (1)(B) as clause (iv) and inserting after clause (ii) of such paragraph the following new clause:

''(iii) includes medical devices (such as implantable medical devices); but''; and

(3) in paragraph (2)(B), by inserting after ''resources'' the following: ''and so that a device is classified to the group that includes the service to which the device relates''.

(f) AUTHORIZING PAYMENT WEIGHTS BASED ON MEAN HOSPITAL COSTS.—Section 1833(t)(2)(C) (42 U.S.C. 1395l(t)(2)(C)) is amended by inserting ''(or, at the election of the Secretary, mean)'' after ''median''.

(g) LIMITING VARIATION OF COSTS OF SERVICES CLASSIFIED WITH A GROUP.—Section 1833(t)(2) (42 U.S.C. 1395l(t)(2)) is amended by adding at the end the following new flush sentence:

''For purposes of subparagraph (B), items and services within a group shall not be treated as 'comparable with respect to the use of resources' if the highest median cost (or mean cost, if elected by the Secretary under subparagraph (C)) for an item or service within the group is more than 2 times greater than the lowest median cost (or mean cost, if so elected) for an item or service within the group; except that the Secretary may make exceptions in unusual cases, such as low volume items and services, but may not make such an exception in the case of a drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act.''.

(h) ANNUAL REVIEW OF OPD PPS COMPONENTS.—

(1) IN GENERAL.—Section 1833(t)(8)(A) (42 U.S.C. 1395l(t)(8)(A)), as redesignated by subsection (a), is amended—

(A) by striking ''may periodically review'' and inserting ''shall review not less often than annually''; and

(B) by adding at the end the following: ''The Secretary shall consult with an expert outside advisory panel composed of an appropriate selection of representatives of providers to review (and advise the Secretary concerning) the clinical integrity of the groups and weights. Such panel may use data collected or developed by entities and organizations (other than the Department of Health and Human Services) in conducting such review.''.

(2) EFFECTIVE DATES.—The Secretary of Health and Human Services shall first conduct the annual review under the amendment made by paragraph (1)(A) in 2001 for application in 2002 and the amendment made by paragraph (1)(B) takes effect on the date of the enactment of this Act.

(i) NO IMPACT ON COPAYMENT.—Section 1833(t)(7) (42 U.S.C. 1395l(t)(7)), as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

''(D) COMPUTATION IGNORING OUTLIER AND PASS-THROUGH ADJUSTMENTS.—The copayment amount shall be computed under subparagraph (A) as if the adjustments under paragraphs (5) and (6) (and any adjustment made under paragraph (2)(E) in relation to such adjustments) had not occurred.''.

(j) TECHNICAL CORRECTION IN REFERENCE RELATING TO HOSPITAL-BASED AMBULANCE SERVICES.—Section 1833(t)(9) (42 U.S.C. 1395l(t)(9)), as redesignated by subsection (a), is amended by striking ''the matter in subsection (a)(1) preceding subparagraph (A)'' and inserting ''section 1861(v)(1)(U)''.

(k) EFFECTIVE DATE.—Except as provided in this section, the amendments made by this section shall be effective as if included in the enactment of BBA.

(l) STUDY OF DELIVERY OF INTRAVENOUS IMMUNE GLOBULIN (IVIG) OUTSIDE HOSPITALS AND PHYSICIANS' OFFICES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the extent to which intravenous immune globulin (IVIG) could be delivered and reimbursed under the medicare program outside of a hospital or physician's office. In conducting the study, the Secretary shall—

(A) consider the sites of service that other payors, including Medicare+Choice plans, use for these drugs and biologicals;

(B) determine whether covering the delivery of these drugs and biologicals in a medicare patient's home raises any additional safety and health concerns for the patient;

(C) determine whether covering the delivery of these drugs and biologicals in a patient's home can reduce overall spending under the medicare program; and

(D) determine whether changing the site of setting for these services would affect beneficiary access to care.

(2) REPORT.—The Secretary shall submit a report on such study to the Committees on Way and Means and Commerce of the House of Representatives and the Committee on Finance of the Senate within 1 year after the date of the enactment of this Act. The Secretary shall include in the report recommendations regarding on the appropriate manner and settings under which the medicare program should pay for these drugs and biologicals delivered outside of a hospital or physician's office.

SEC. 212. ESTABLISHING A TRANSITIONAL CORRIDOR FOR APPLICATION OF OPD PPS.

(a) IN GENERAL.—Section 1833(t) (42 U.S.C. 1395l(t)), as amended by section 211(a), is further amended—

(1) in paragraph (4), in the matter before subparagraph (A), by inserting '', subject to paragraph (7),'' after ''is determined''; and

(2) by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively; and

(3) by inserting after paragraph (6), as inserted by section 211(b), the following new paragraph:

''(7) TRANSITIONAL ADJUSTMENT TO LIMIT DECLINE IN PAYMENT.—

''(A) BEFORE 2002.—Subject to subparagraph (D), for covered OPD services furnished before January 1, 2002, for which the PPS amount (as defined in subparagraph (E)) is—

''(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount (as defined in subparagraph (F)), the amount of payment under this subsection shall be increased by 80 percent of the amount of such difference;

''(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.71 and the pre-BBA amount, exceeds (II) the product of 0.70 and the PPS amount;

''(iii) at least 70 percent, but less than 80 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.63 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

''(iv) less than 70 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 21 percent of the pre-BBA amount.

''(B) 2002.—Subject to subparagraph (D), for covered OPD services furnished during 2002, for which the PPS amount is—

''(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by 70 percent of the amount of such difference;

''(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.61 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

''(iii) less than 80 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 13 percent of the pre-BBA amount.

''(C) 2003.—Subject to subparagraph (D), for covered OPD services furnished during 2003, for which the PPS amount is—

''(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by 60 percent of the amount of such difference; or

''(ii) less than 90 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 6 percent of the pre-BBA amount.

''(D) SPECIAL RULE FOR SMALL RURAL HOSPITALS.—In the case of a hospital located in a rural area and that has not more than 100 beds, for covered OPD services furnished before January 1, 2004, for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by 100 percent of the amount of such difference.

''(E) PPS AMOUNT DEFINED.—In this paragraph, the term 'PPS amount' means, with respect to covered OPD services, the amount payable under this title for such services (determined without regard to this paragraph), including amounts payable as copayment under paragraph (5), coinsurance under section 1866(a)(2)(A)(ii), and the deductible under section 1833(b).

''(F) PRE-BBA AMOUNT DEFINED.—

''(i) IN GENERAL.—In this paragraph, the 'pre-BBA amount' means, with respect to covered OPD services furnished by a hospital in a year, an amount equal to the product of the reasonable cost of the hospital for such services for the portions of the hospital's cost reporting period (or periods) occurring in the year and the base OPD payment-to-cost ratio for the hospital (as defined in clause (ii)).

''(ii) BASE PAYMENT-TO-COST-RATIO DEFINED.—For purposes of this subparagraph, the 'base payment-to-cost ratio' for a hospital means the ratio of—

''(I) the hospital's reimbursement under this part for covered OPD services furnished during the cost reporting period ending in 1996, including any reimbursement for such services through cost-sharing described in subparagraph (D), to

''(II) the reasonable cost of such services for such period.

''(G) NO EFFECT ON COPAYMENTS.—Nothing in this paragraph shall be construed to affect the unadjusted copayment amount described in paragraph (3)(B) or the copayment amount under paragraph (8).

''(H) APPLICATION WITHOUT REGARD TO BUDGET NEUTRALITY.—The additional payments made under this paragraph—

''(i) shall not be considered an adjustment under paragraph (2)(E); and

''(ii) shall not be implemented in a budget neutral manner.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of BBA.

(c) REPORT ON RURAL HOSPITALS.—Not later than July 1, 2002, the Secretary of Health and Human Services shall submit to Congress a report and recommendations on whether the prospective payment system for covered outpatient services furnished under title XVIII of the Social Security Act should apply to the following providers of services furnishing outpatient items and services for which payment is made under such title:

(1) Medicare-dependent, small rural hospitals (as defined in section 1886(d)(5)(G)(iv) of such Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

(2) Sole community hospitals (as defined in section 1886(d)(5)(D)(iii) of such Act (42 U.S.C. 1395ww(d)(5)(D)(iii)).

(3) Rural health clinics (as defined in section 1861(aa)(2) of such Act (42 U.S.C. 1395x(aa)(2)).

(4) Rural referral centers (as so classified under section 1886(d)(5)(C) of such Act (42 U.S.C. 1395ww(d)(5)(C)).

(5) Any other rural hospital with not more than 100 beds.

(6) Any other rural hospital that the Secretary determines appropriate.

SEC. 213. DELAY IN APPLICATION OF PROSPECTIVE PAYMENT SYSTEM TO CANCER CENTER HOSPITALS.

Section 1833(t)(11)(A) (42 U.S.C. 1395l(t)(11)(A)), as redesignated by section 212(a), is amended by striking ''January 1, 2000'' and inserting ''the first day of the first year that begins 2 years after the date the prospective payment system under this section is first implemented''.

SEC. 214. LIMITATION ON OUTPATIENT HOSPITAL COPAYMENT FOR A PROCEDURE TO THE HOSPITAL DEDUCTIBLE AMOUNT.

(a) IN GENERAL.—Section 1833(t)(8) (42 U.S.C. 1395l(t)(8)), as redesignated by sections 212(a)(1) and 212(a)(2), is amended—

(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)'';

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) LIMITING COPAYMENT AMOUNT TO INPATIENT HOSPITAL DEDUCTIBLE AMOUNT.—In no case shall the copayment amount for a procedure performed in a year exceed the amount of the inpatient hospital deductible established under section 1813(b) for that year.''.

(b) INCREASE IN PAYMENT TO REFLECT REDUCTION IN COPAYMENT.—Section 1833(t)(4)(C) (42 U.S.C. 1395l(t)(4)(C)) is amended by inserting '', plus the amount of any reduction in the copayment amount attributable to paragraph (5)(C)'' before the period at the end.

(c) EFFECTIVE DATE.—The amendments made by this section apply as if included in the enactment of BBA and shall only apply to procedures performed for which payment is made on the basis of the prospective payment system under section 1833(t) of the Social Security Act.

Subtitle C—Other

SEC. 221. APPLICATION OF SEPARATE CAPS TO PHYSICAL AND SPEECH THERAPY SERVICES.

(a) IN GENERAL.—Section 1833(g) (42 U.S.C. 1395l(g)) is amended—

(1) in paragraph (1)—

(A) by inserting ''(A)'' after ''(g)(1)''; and

(B) by adding at the end the following new subparagraph:

''(B) Subparagraph (A) shall be applied separately for speech-language pathology services described in the fourth sentence of section 1861(p) and for other outpatient physical therapy services.''; and

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

''(4) The limitations of this subsection apply to the services involved on a per beneficiary, per facility (or provider) basis.''.

(b) TECHNICAL AMENDMENT RELATING TO BEING UNDER THE CARE OF A PHYSICIAN.—Section 1861 (42 U.S.C. 1395x) is amended—

(1) in subsection (p)(1), by striking ''or (3)'' and inserting '', (3), or (4)''; and

(2) in subsection (r)(4), by inserting ''for purposes of subsection (p)(1) and'' after ''but only''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to services furnished on or after January 1, 2000.

SEC. 222. TRANSITIONAL OUTLIER PAYMENTS FOR THERAPY SERVICES FOR CERTAIN HIGH ACUITY PATIENTS.

Section 1833(g) (42 U.S.C. 1395l(g)), as amended by section 221, is further amended by adding at the end the following new paragraph:

''(5)(A) The Secretary shall establish a process under which a facility or provider

that is providing therapy services to which the limitation of this subsection applies to a beneficiary may apply to the Secretary for an increase in such limitation under this paragraph for services furnished in 2000 or in 2001.

''(B) Such process shall take into account the clinical diagnosis and shall provide that the aggregate amount of additional payments resulting from the application of this paragraph—

''(i) during fiscal year 2000 may not exceed $40,000,000;

''(ii) during fiscal year 2001 may not exceed $60,000,000; and

''(iii) during fiscal year 2002 may not exceed $20,000,000.''.

SEC. 223. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.

(a) IN GENERAL.—Section 1881(b)(7) (42 U.S.C. 1395rr(b)(7)) is amended by adding at the end the following new flush sentence:

''The Secretary shall increase the amount of each composite rate payment for dialysis services furnished on or after January 1, 2000, and on or before December 31, 2000, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 1999, and for such services furnished on or after January 1, 2001, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 2000.''.

(b) CONFORMING AMENDMENT.—

(1) IN GENERAL.—Section 9335(a) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 1395rr note) is amended by striking paragraph (1).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 2000.

(c) STUDY ON PAYMENT LEVEL FOR HOME HEMODIALYSIS.—The Medicare Payment Advisory Commission shall conduct a study on the appropriateness of the differential in payment under the medicare program for hemodialysis services furnished in a facility and such services furnished in a home. Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress a report on such study and shall include recommendations regarding changes in medicare payment policy in response to the study.

SEC. 224. TEMPORARY UPDATE IN DURABLE MEDICAL EQUIPMENT AND OXYGEN RATES.

(a) DURABLE MEDICAL EQUIPMENT AND OXYGEN.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)), as amended by section 4551(a)(1) of BBA, is amended —

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by striking subparagraph (C) and inserting the following:

''(C) for each of the years 1998 through 2000, 0 percentage points;

''(D) for each of the years 2001 and 2002, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year minus 2 percentage points; and''.

(b) CONFORMING AMENDMENTS.—Section 1834(a)(9)(B) (42 U.S.C. 1395m(a)(9)(B)), as amended by section 4552(a) of BBA, is amended—

(1) by striking ''and'' at the end of clause (v);

(2) in clause (vi), by striking ''and each subsequent year'' and inserting ''and 2000'' and by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(vii) for 2001 and each subsequent year, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year.''.

SEC. 225. REQUIREMENT FOR NEW PROPOSED RULEMAKING FOR IMPLEMENTATION OF INHERENT REASONABLENESS POLICY.

The Secretary of Health and Human Services shall not exercise inherent reasonableness authority provided under section 1842(b)(8) of the Social Security Act (42 U.S.C. 1395u(b)(8)) before such time as—

(1) the Secretary has published in the Federal Register a new notice of proposed rulemaking to implement subparagraph (A) of such section;

(2) has provided for a period of not less than 60 days for public comment on such proposed rule; and

(3) the Secretary has published in the Federal Register a final rule which takes into account comments received during such period.

SEC. 226. INCREASE IN REIMBURSEMENT FOR PAP SMEARS.

(a) PAP SMEAR PAYMENT INCREASE.—Section 1833(h) (42 U.S.C. 13951(h)) is amended by adding at the end the following new paragraph:

''(7) Notwithstanding paragraphs (1) and (4), the Secretary shall establish a minimum payment amount under this subsection for all areas for a diagnostic or screening pap smear laboratory test (including all cervical cancer screening technologies that have been approved by the Food and Drug Administration) of not less than $14.60.''.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Health Care Financing Administration has been slow to incorporate or provide incentives for providers to use new screening diagnostic health care technologies in the area of cervical cancer;

(2) some new technologies have been developed which optimize the effectiveness of pap smear screening; and

(3) the Health Care Financing Administration should institute an appropriate increase in the payment rate for new cervical cancer screening technologies that have been approved by the Food and Drug Administration as significantly more effective than a conventional pap smear.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply to services items and furnished on or after January 1, 2000.

SEC. 227. REFINEMENT OF AMBULANCE SERVICES DEMONSTRATION PROJECT.

Effective as if included in the enactment of BBA, section 4532 of BBA is amended—

(1) in subsection (a), by adding at the end the following: ''The Secretary shall publish by not later than July 1, 2000, a request for proposals for such projects.''; and

(2) by amending paragraph (2) of subsection (b) to read as follows:

''(2) CAPITATED PAYMENT RATE DEFINED.—In this subsection, the 'capitated payment rate' means, with respect to a demonstration project—

''(A) in its first year, a rate established for the project by the Secretary, using the most current available data, in a manner that ensures that aggregate payments under the project will not exceed the aggregate payment that would have been made for ambulance services under part B of title XVIII of the Social Security Act in the local area of government's jurisdiction; and

''(B) in a subsequent year, the capitated payment rate established for the previous year increased by an appropriate inflation adjustment factor.''.

SEC. 228. PHASE-IN OF PPS FOR AMBULATORY SURGICAL CENTERS.

If the Secretary of Health and Human Services implements a revised prospective payment system for services of ambulatory surgical facilities under part B of title XVIII of the Social Security Act, prior to incorporating data from the 1999 Medicare cost survey, such system shall be implemented in a manner so that—

(1) in the first year of its implementation, only a proportion (specified by the Secretary and not to exceed ⅓) of the payment for such services shall be made in accordance with such system and the remainder shall be made in accordance with current regulations; and

(2) in the following year a proportion (specified by the Secretary and not to exceed ⅔) of the payment for such services shall be made under such system and the remainder shall be made in accordance with current regulations.

SEC. 229. EXTENSION OF MEDICARE BENEFITS FOR IMMUNOSUPPRESSIVE DRUGS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall provide under this section for an extension of the period of coverage of immunosuppressive drugs under section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) to individuals described in such section under terms and conditions specified by the Secretary consistent with subsection (c) and the objectives—

(1) of improving health outcomes by decreasing transplant rejection rates that are attributable to failure to comply with immunosuppressive drug regimens; and

(2) of achieving cost saving to the medicare program by decreasing the need for secondary transplants and other care relating to post-transplant complications.

(b) AUTHORITY.—In carrying out this section—

(1) the Secretary shall provide priority in eligibility to those medicare beneficiaries who, because of income or other factors, would be less likely to maintain an immunosuppressive drug regimen in the absence of such an extension; and

(2) the Secretary is authorized to vary the beneficiary cost-sharing otherwise applicable in order to promote the objectives described in subsection (a).

(c) LIMITATIONS.—The total amount expended by the Secretary under title XVIII of the Social Security Act to carry out this section shall not exceed $200,000,000, and with respect to expenditures in fiscal year 2000 shall not exceed $40,000,000. The Secretary shall not provide an extension of coverage under this section for immunosuppressive drugs furnished after September 30, 2004.

(d) REPORT.—Not later than 36 months after the first month in which the Secretary provides for extended benefits under this section, the Secretary shall submit to Congress a report on the operation of this section. The report shall include—

(1) an analysis of the impact of this section on meeting the objectives described in subsection (a); and

(2) recommendations regarding an appropriate cost-effective method for extending coverage of immunosuppressive drugs under the medicare program on a permanent basis.

SEC. 230. ADDITIONAL STUDIES.

(a) MEDPAC STUDY ON POSTSURGICAL RECOVERY CARE CENTER SERVICES.—

(1) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on the cost-effectiveness and efficacy of covering under the medicare program services of a post-surgical recovery care center (that provides an intermediate level of recovery care following surgery). In conducting such study, the Commission shall consider data on these centers gathered in demonstration projects.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the

Commission shall submit to Congress a report on such study and shall include in the report recommendations on the feasibility, costs, and savings of covering such services under the medicare program.

(b) ACHPR STUDY ON EFFECT OF CREDENTIALING OF TECHNOLOGISTS AND SONOGRAPHERS ON QUALITY OF ULTRASOUND AND IMAGING SERVICES.—

(1) STUDY.—The Administrator for Health Care Policy and Research shall provide for a study that compares the differences in quality of ultrasound and other imaging services (including error rates and resulting complications) furnished under the medicare and medicaid programs between such services furnished by individuals who are credentialed by private entities or organizations and by those who are not so credentialed. Such study shall examine and evaluate differences in error rates and patient outcomes as a result of the differences in credentialing. In designing the study, the Administrator shall consult with organizations nationally recognized for their expertise in ultrasound procedures.

(2) REPORT.—By not later than two years after the date of the enactment of this Act, the Administrator shall submit a report to Congress on the study conducted under paragraph (1).

(c) MEDPAC STUDY ON THE COMPLEXITY OF THE MEDICARE PROGRAM AND THE LEVELS OF BURDENS PLACED ON PROVIDERS THROUGH FEDERAL REGULATIONS.—

(1) STUDY.—The Medicare Payment Advisory Commission shall undertake a comprehensive study to review the regulatory burdens placed on all classes of health care providers under parts A and B of the medicare program under title XVIII of the Social Security Act and to determine the costs these burdens impose on the nation's health care system. The study shall also examine the complexity of the current regulatory system and its impact on providers.

(2) REPORT.—not later than December 31, 2001, the Commission shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations regarding—

(A) how the Health Care Financing Administration can reduce the regulatory burdens placed on patients and providers; and

(B) legislation that may be appropriate to reduce the complexity of the medicare program, including improvement of the rules regarding billing, compliance, and fraud and abuse.

(d) GAO CONTINUED MONITORING OF DEPARTMENT OF JUSTICE APPLICATION OF GUIDELINES ON USE OF FALSE CLAIMS ACT IN CIVIL HEALTH CARE MATTERS.—The Comptroller General of the United States shall—

(1) continue the monitoring, begun under section 118 of the Department of Justice Appropriations Act, 1999 (included in Public Law 105–277) of the compliance of the Department of Justice and all United States Attorneys with the ''Guidance on the Use of the False Claims Act in Civil Health Care Matters'' issued by the Department of Justice on June 3, 1998, including any revisions to that guidance; and

(2) not later than April 1, 2000, and of each of the two succeeding years, submit a report on such compliance to the appropriate Committees of Congress.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

SEC. 301. ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS NOT INCLUDED IN THE INTERIM PAYMENT SYSTEM; GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.

(a) ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—In the case of a home health agency that furnishes home health services to a medicare beneficiary, for each such beneficiary to whom the agency furnished such services during the agency's cost reporting period beginning in fiscal year 2000, the Secretary of Health Services shall pay the agency, in addition to any amount of payment made under subsection (v)(1)(L) of such section for the beneficiary and only for such cost reporting period, an aggregate amount of $10 to defray costs incurred by the agency attributable to data collection and reporting requirements under the Outcome and Assessment Information Set (OASIS) required by reason of section 4602(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note).

(2) PAYMENT SCHEDULE.—

(A) MIDYEAR PAYMENT.—By not later than April 1, 2000, the Secretary shall pay to a home health agency an amount that the Secretary estimates to be 50 percent of the aggregate amount payable to the agency by reason of this subsection.

(B) UPON SETTLED COST REPORT.—The Secretary shall pay the balance of amounts payable to an agency under this subsection on the date that the cost report submitted by the agency for the cost reporting period beginning in fiscal year 2000 is settled.

(3) PAYMENT FROM TRUST FUNDS.—Payments under this subsection shall be made, in appropriate part as specified by the Secretary, from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund.

(4) DEFINITIONS.—in this subsection:

(A) HOME HEALTH AGENCY.—The term ''home health agency'' has the meaning given that term under section 1861(o) of the Social Security Act (42 U.S.C. 1395x(o)).

(B) HOME HEALTH SERVICES.—The term ''home health services'' has the meaning given that term under section 1861(m) of such Act (42 U.S.C. 1395x(m)).

(C) MEDICARE BENEFICIARY.—The term ''medicare beneficiary'' means a beneficiary described in section 1861(v)(1)(L)(vi)(II) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(vi)(II)).

(b) GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.—

(1) REPORT TO CONGRESS.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to Congress on matters described in subparagraph (B) with respect to the data collection requirement of patients of such agencies under the Outcome and Assessment Information Set (OASIS) standard as part of the comprehensive assessment of patients.

(B) MATTERS STUDIED.—For purposes of subparagraph (A), the matters described in this subparagraph include the following:

(i) An assessment of the costs incurred by medicare home health agencies in complying with such data collection requirement.

(ii) An analysis of the effect of such data collection requirement on the privacy interests of patients from whom data is collected.

(C) AUDIT.—The Comptroller General shall conduct an independent audit of the costs described in subparagraph (B)(i). Not later than 180 days after receipt of the report under subparagraph (A), the Comptroller General shall submit to Congress a report describing the Comptroller General's findings with respect to such audit, and shall include comments on the report submitted to Congress by the Secretary of Health and Human Services under subparagraph (A).

(2) DEFINITIONS.—In this subsection:

(A) COMPREHENSIVE ASSESSMENT OF PATIENTS.—The term ''comprehensive assessment of patients'' means the rule published by the Health Care Financing Administration that requires, as a condition of participation in the medicare program, a home health agency to provide a patient-specific comprehensive assessment that accurately reflects the patient's current status and that incorporates the Outcome and Assessment Information Set (OASIS).

(B) OUTCOME AND ASSESSMENT INFORMATION SET.—The term ''Outcome and Assessment Information Set'' means the standard provided under the rule relating to data items that must be used in conducting a comprehensive assessment of patients.

SEC. 302. DELAY IN APPLICATION OF 15 PERCENT REDUCTION IN PAYMENT RATES FOR HOME HEALTH SERVICES UNTIL 1 YEAR AFTER IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.

(a) CONTINGENCY REDUCTION.—Section 4603(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note) (as amended by section 5101(c)(3) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended by striking ''September 30, 2000'' and inserting ''on the date that is 12 months after the date the Secretary implements such system''.

(b) PROSPECTIVE PAYMENT SYSTEM.—Section 1895(b)(3)(A)(i) (42 U.S.C. 1395fff(b)(3)(A)(i)) (as amended by section 5101 of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended to read as follows:

''(i) IN GENERAL.—Under such system the Secretary shall provide for computation of a standard prospective payment amount (or amounts). Such amount (or amounts) shall initially be based on the most current audited cost report data available to the Secretary and shall be computed in a manner so that the total amounts payable under the system—

''(I) for the 12-month period beginning on the date the Secretary implements the system, shall be equal to the total amount that would have been made if the system had not been in effect; and

''(II) for periods beginning after the period described in subclause (I), shall be equal to the total amount that would have been made for fiscal year 2001 if the system had not been in effect but if the reduction in limits described in clause (ii) had been in effect, and updated under subparagraph (B).

Each such amount shall be standardized in a manner that eliminates the effect of variations in relative case mix and wage levels among different home health agencies in a budget neutral manner consistent with the case mix and wage level adjustments provided under paragraph (4)(A). Under the system, the Secretary may recognize regional differences or differences based upon whether or not the services or agency are in an urbanized area.''.

(c) REPORT.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall submit to Congress a report analyzing the need for the 15 percent reduction under section 1895(b)(3)(A)(ii) of the Social Security Act (42

U.S.C. 1395fff(b)(3)(A)(ii)), or for any reduction, in the computation of the base payment amounts under the prospective payment system for home health services under section 1895 of such Act (42 U.S.C. 1395w–29).

(2) DEADLINE.—The Secretary shall submit to Congress the report described in paragraph (1) by not later than the date that is six months after the date the Secretary implements the prospective payment system for home health services under such section 1895.

SEC. 303. CLARIFICATION OF SURETY BOND REQUIREMENTS.

(a) HOME HEALTH AGENCIES.—Section 1861(o)(7) (42 U.S.C. 1395x(o)(7)) is amended to read as follows:

''(7) provides the Secretary with a surety bond—

''(A) effective for a period of 4 years (as specified by the Secretary) or in the case of a change in the ownership or control of the agency (as determined by the Secretary) during or after such 4-year period, an additional period of time that the Secretary determines appropriate, such additional period not to exceed 4 years from the date of such change in ownership or control;

''(B) in a form specified by the Secretary; and

''(C) for a year in the period described in subparagraph (A) in an amount that is equal to the lesser of $50,000 or 10 percent of the aggregate amount of payments to the agency under this title and title XIX for that year, as estimated by the Secretary; and''.

(b) COORDINATION OF SURETY BONDS.—Part A of title XI is amended by adding at the end the following new section:

''COORDINATION OF MEDICARE AND MEDICAID SURETY BOND PROVISIONS

''SEC. 1148. In the case of a home health agency that is subject to a surety bond under title XVIII and title XIX, the surety bond provided to satisfy the requirement under one such title shall satisfy the requirement under the other such title so long as the bond applies to guarantee return of overpayments under both such titles.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act and in applying section 1861(o)(7) of the Social Security Act, as amended by subsection (a), the Secretary of Health and Human Services may take into account the previous period for which a home health agency had a surety bond in effect under such section before such date.

SEC. 304. TECHNICAL AMENDMENT CLARIFYING APPLICABLE MARKET BASKET INCREASE FOR PPS.

Section 1895(b)(3)(B)(ii)(I) (42 U.S.C. 1395fff(b)(3)(B)(ii)(I)), as added by section 4603 of BBA (as amended by section 5101(d)(2) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105–277)) is amended by striking ''fiscal year 2002 or 2003'' and inserting ''each of fiscal years 2002 and 2003''.

Subtitle B—Direct Graduate Medical Education

SEC. 311. USE OF NATIONAL AVERAGE PAYMENT METHODOLOGY IN COMPUTING DIRECT GRADUATE MEDICAL EDUCATION (DGME) PAYMENTS.

Section 1886(h) (42 U.S.C. 1395ww(h)) is amended—

(1) by amending clause (i) of paragraph (3)(B) to read as follows:

''(i)(I) for a cost reporting period beginning before October 1, 2000, the hospital's approved FTE resident amount (determined under paragraph (2)) for that period;

''(II) for a cost reporting period beginning on or after October 1, 2000, and before October 1, 2004, the national average per resident amount determined under paragraph (7) or, if greater, the sum of the hospital-specific percentage (as defined in subparagraph (E)) of the hospital's approved FTE resident amount (determined under paragraph (2)) for the period and the national percentage (as defined in such subparagraph) of the national average per resident amount determined under paragraph (7); and

''(III) for a cost reporting period beginning on or after October 1, 2004, the national average per resident amount determined under paragraph (7); and'';

(2) in paragraph (3), by adding at the end the following new subparagraph:

''(E) TRANSITION TO NATIONAL AVERAGE PER RESIDENT PAYMENT SYSTEM.—For purposes of subparagraph (B)(i)(II), for the cost reporting period of a hospital beginning—

''(i) during fiscal year 2001, the hospital-specific percentage is 80 percent and the national percentage is 20 percent;

''(ii) during fiscal year 2002, the hospital-specific percentage is 60 percent and the national percentage is 40 percent;

''(iii) during fiscal year 2003, the hospital-specific percentage is 40 percent and the national percentage is 60 percent; and

''(iv) during fiscal year 2004, the hospital-specific percentage is 20 percent and the national percentage is 80 percent.''; and

(3) by adding at the end the following new paragraph:

''(7) NATIONAL AVERAGE PER RESIDENT AMOUNT.—The national average per resident amount for a hospital for a cost reporting period beginning in a fiscal year is an amount determined as follows:

''(A) DETERMINATION OF HOSPITAL SINGLE PER RESIDENT AMOUNT.—The Secretary shall compute for each hospital operating an approved graduate medical education program a single per resident amount equal to the average (weighted by number of full-time equivalent residents) of the primary care per resident amount and the non-primary care per resident amount computed under paragraph (2) for cost reporting periods ending during fiscal year 1997.

''(B) DETERMINATION OF WAGE AND NON-WAGE-RELATED PROPORTION OF THE SINGLE PER RESIDENT AMOUNT.—The Secretary shall estimate the average proportion of the single per resident amounts computed under subparagraph (A) that is attributable to wages and wage-related costs.

''(C) STANDARDIZING PER RESIDENT AMOUNTS.—The Secretary shall establish a standardized per resident amount for each such hospital—

''(i) by dividing the single per resident amount computed under subparagraph (A) into a wage-related portion and a non-wage-related portion by applying the proportion determined under subparagraph (B);

''(ii) by dividing the wage-related portion by the factor applied under subsection (d)(3)(E) for discharges occurring during fiscal year 1999 for the hospital's area; and

''(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

''(D) DETERMINATION OF NATIONAL AVERAGE.—The Secretary shall compute a national average per resident amount equal to the average of the standardized per resident amounts computed under subparagraph (C) for such hospitals, with the amount for each hospital weighted by the average number of full-time equivalent residents at such hospital.

''(E) APPLICATION TO INDIVIDUAL HOSPITALS.—The Secretary shall compute for each such hospital a per resident amount—

''(i) by dividing the national average per resident amount computed under subparagraph (D) into a wage-related portion and a non-wage-related portion by applying the proportion determined under subparagraph (B);

''(ii) by multiplying the wage-related portion by the factor described in subparagraph (C)(ii) for the hospital's area; and

''(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

In applying clause (ii) for a cost reporting period beginning before October 1, 2004, the factor described in such clause shall be deemed to be 1 for a hospital if the national average per resident amount computed under subparagraph (D) is less than the hospital's approved FTE resident amount (determined under paragraph (2)) for the period involved and the factor described in subparagraph (C)(ii) for the hospital's area is less than 1.

''(F) INITIAL UPDATING RATE.—The Secretary shall update such per resident amount for the hospital's cost reporting period that begins during fiscal year 2001 for each such hospital by the estimated percentage increase in the consumer price index for all urban consumers during the period beginning October 1997 and ending with the midpoint of the hospital's cost reporting period that begins during fiscal year 2001.

''(G) SUBSEQUENT UPDATING.—For each subsequent cost reporting period, subject to subparagraph (H), the national average per resident amount for a hospital is equal to the amount determined under this paragraph for the previous cost reporting period updated, through the midpoint of the period, by projecting the estimated percentage change in the consumer price index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous under-or over-estimations under this subparagraph in the projected percentage change in the consumer price index.

''(H) TRANSITIONAL BUDGET NEUTRALITY ADJUSTMENT.—

''(i) IN GENERAL.—If the Secretary estimates that, as a result of the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, the post-MBBRA expenditures for fiscal year 2005 will be greater or less than the pre-MBBRA expenditures for that fiscal year—

''(I) the Secretary shall adjust the update applied under subparagraph (G) in determining the national average per resident amount for cost reporting periods beginning during fiscal year 2005 so that the amount of the post-MBBRA expenditures for those cost reporting periods is equal to the amount of the pre-MBBRA expenditures for such periods; and

''(II) the Secretary shall, taking into account the adjustment made under subclause (I), adjust the national average per resident amount, as applied for the portion of a cost reporting period beginning during fiscal year 2004 that occur in fiscal year 2005, so that the amount of the post-MBBRA expenditures made during fiscal year 2005 is equal to the amount of the pre-MBBRA expenditures during such fiscal year.

''(ii) DEFINITIONS.—In this subparagraph:

''(I) AGGREGATE SUBSECTION (h)-RELATED EXPENDITURES.—The term 'aggregate subsection (h)-related expenditures' means, with respect to cost reporting periods beginning during a fiscal year or with respect to a fiscal year, the aggregate expenditures under this title for such periods or fiscal year, respectively, which are attributable to the operation of this subsection.

''(II) PRE-MBBRA EXPENDITURES.—The term 'pre-MBBRA expenditures' means aggregate subsection (h)-related expenditures determined as if the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 had not been enacted.

''(III) POST-MBBRA EXPENDITURES.—The term 'post-MBBRA expenditures' means aggregate subsection (h)-related expenditures determined taking into account the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.''.

SEC. 312. INITIAL RESIDENCY PERIOD FOR CHILD NEUROLOGY RESIDENCY TRAINING PROGRAMS.

(a) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended—

(1) in clause (i) by striking ''clause (ii)'' and inserting ''clause (ii) or (iii)'';

(2) in clause (i), by striking ''and'' at the end;

(3) in clause (ii), by striking the period at the end and inserting '', and''; and

(4) by inserting after clause (ii), the following new clause:

''(iii) a period, of not more than three years, during which an individual is in a child neurology residency program, shall be treated as part of the initial residency period, but shall not be counted against any limitation on the initial residency period.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply on and after July 1, 2000, to residency programs that began before, on, or after the date of the enactment of this Act.

(c) MEDPAC REPORT.—The Medicare Payment Advisory Commission shall include in its report submitted to Congress in March of 2001 recommendations on whether there should be an extension of the initial residency period under section 1886(h)(5)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(F)) for other residency training programs in a specialty requiring preliminary years of study in another specialty.

Subtitle C—Other

SEC. 321. GAO STUDY ON GEOGRAPHIC RECLASSIFICATION.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the current laws and regulations for geographic reclassification of hospitals to determine whether such reclassification is appropriate for purposes of applying wage indices under the medicare program and whether it results in more accurate payments for all hospitals. Such study shall examine data on the number of hospitals that are reclassified and their special designation status in determining payments under the medicare program. The study shall evaluate—

(1) the magnitude of the effect of geographic reclassification on rural hospitals that do not reclassify;

(2) whether the current thresholds used in geographic reclassification reclassify hospitals to the appropriate labor markets;

(3) the effect of eliminating geographic reclassification through use of the occupational mix data;

(4) the group reclassification policy;

(5) changes in the number of reclassifications and the compositions of the groups;

(6) the effect of State-specific budget neutrality compared to national budget neutrality; and

(7) whether there are sufficient controls over the intermediary evaluation of the wage data reported by hospitals.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under subsection (a).

SEC. 322. MEDPAC STUDY ON MEDICARE PAYMENT FOR NON-PHYSICIAN HEALTH PROFESSIONAL CLINICAL TRAINING IN HOSPITALS.

(a) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on medicare payment policy with respect to professional clinical training of different classes of non-physician health care professionals (such as nurses,nurse practitioners, allied health professionals, physician assistants, and psychologists) and the basis for any differences in treatment among such classes.

(b) REPORT.—The Commission shall submit a report to Congress on the study conducted under subsection (a) not later than 18 months after the date of the enactment of this Act.

TITLE IV—RURAL PROVIDER PROVISIONS

SEC. 401. PERMITTING RECLASSIFICATION OF CERTAIN URBAN HOSPITALS AS RURAL HOSPITALS.

(a) IN GENERAL.—Section 1886(d)(8) (42 U.S.C. 1395ww(d)(8)) is amended by adding at the end the following new subparagraph:

''(E)(i) For purposes of this subsection, not later than 60 days after the receipt of an application from a subsection (d) hospital described in clause (ii), the Secretary shall treat the hospital as being located in the rural area (as defined in such paragraph (2)(D)) of the State in which the hospital is located.

''(ii) For purposes of clause (i), a subsection (d) hospital described in this clause is a subsection (d) hospital that is located in an urban area (as defined in paragraph (2)(D)) and satisfies any of the following criteria:

''(I) The hospital is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).

''(II) The hospital is located in an area designated by any law or regulation of such State as a rural area (or is designated by such State as a rural hospital).

''(III) The hospital would qualify as a rural or regional or national referral center under paragraph (5)(C) or as a sole community hospital under paragraph (5)(D) if the hospital were located in a rural area.

''(IV) The hospital meets such other criteria as the Secretary may specify.''.

(b) CONFORMING CHANGES.—(1) Section 1833(t) (42 U.S.C. 1395l(t)), as amended by sections 211 and 212, is further amended by adding at the end the following new paragraph:

''(13) MISCELLANEOUS PROVISIONS.—

''(A) APPLICATION OF RECLASSIFICATION OF CERTAIN HOSPITALS.—If a hospital is being treated as being located a rural under section 1886(d)(8)(E), that hospital shall be treated under this subsection as being located in that rural area.''.

(2) Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)) is amended by inserting ''or is treated as being located in a rural area pursuant to section 1886(d)(8)(E)'' after ''section 1886(d)(2)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 2000.

SEC. 402. UPDATE OF STANDARDS APPLIED FOR GEOGRAPHIC RECLASSIFICATION FOR CERTAIN HOSPITALS.

(a) IN GENERAL.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(1) by inserting ''(i)'' after ''(B)'';

(2) by striking ''published in the Federal Register on January 3, 1980'' and inserting ''described in clause (ii)''; and

(3) by adding at the end the following new clause:

''(ii) The standards described in this clause for cost reporting periods beginning in a fiscal year—

''(I) before fiscal year 2003, are the standards published in the Federal Register on January 3, 1980, or, at the election of the hospital with respect to fiscal years 2001 and 2002, standards so published on March 30, 1990; and

''(II) after fiscal year 2002, are the standards published in the Federal Register by the Director of the Office of Management and Budget based on the most recent available decennial population data.

Subparagraphs (C) and (D) shall not apply with respect to the application of subclause (I).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to discharges occurring during cost reporting periods beginning on or after October 1, 1999.

SEC. 403. IMPROVEMENTS IN THE CRITICAL ACCESS HOSPITAL (CAH) PROGRAM.

(a) APPLYING 96-HOUR LIMIT ON A AVERAGE ANNUAL BASIS.—

(1) IN GENERAL.—Section 1820(c)(2)(B)(iii) (42 U.S.C. 1395i–4(c)(2)(B)(iii)), as added by section 4201(a) of BBA, is amended by striking ''for a period not to exceed 96 hours'' and all that follows and inserting ''for a period that does not exceed, as determined on an annual, average basis, 96 hours per patient;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on the date of the enactment of this Act.

(b) PERMITTING FOR-PROFIT HOSPITALS TO QUALIFY FOR DESIGNATION AS A CRITICAL ACCESS HOSPITAL.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i–4(c)(2)(B)(i)), as added by section 4201(a) of BBA, is amended in the matter preceding subclause (I), by striking ''nonprofit or public hospital'' and inserting ''hospital''.

(c) ALLOWING CLOSED OR DOWNSIZED HOSPITALS TO CONVERT TO CRITICAL ACCESS HOSPITALS.—Section 1820(c)(2) (42 U.S.C. 1395i–4(c)(2)), as added by section 4201(a) of BBA, is amended—

(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B), (C), and (D)''; and

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

''(C) RECENTLY CLOSED FACILITIES.—A State may designate a facility as a critical access hospital if the facility—

''(i) was a hospital that ceased operations on or after the date that is 10 years before the date of enactment of this subparagraph; and

''(ii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).

''(D) DOWNSIZED FACILITIES.—A State may designate a health clinic or a health center (as defined by the State) as a critical access hospital if such clinic or center—

''(i) is licensed by the State as a health clinic or a health center;

''(ii) was a hospital that was downsized to a health clinic or health center; and

''(iii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).''.

(d) ALL-INCLUSIVE PAYMENT OPTION FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.—

(1) IN GENERAL.—Section 1834(g) (42 U.S.C. 1395m(g)), as added by section 4201(c)(5) of BBA, is amended to read as follows:

''(g) PAYMENT FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.—

''(1) ELECTION OF CAH.—At the election of a critical access hospital, the amount of payment for outpatient critical access hospital services under this part shall be determined under paragraph (2) or (3), such amount determined under either paragraph without regard to the amount of the customary or other charge.

''(2) COST-BASED HOSPITAL OUTPATIENT SERVICE PAYMENT PLUS FEE SCHEDULE FOR PROFESSIONAL SERVICES.—If a hospital elects this paragraph to apply, there shall be paid amounts equal to the sum of the following, less the amount that such hospital may charge as described in section 1866(a)(2)(A):

''(A) FACILITY FEE.—With respect to facility services, not including any services for

which payment may be made under subparagraph (B), the reasonable costs of the critical access hospital in providing such services.

''(B) FEE SCHEDULE FOR PROFESSIONAL SERVICES.—With respect to professional services otherwise included within outpatient critical access hospital services, such amounts as would otherwise be paid under this part if such services were not included in outpatient critical access hospital services.

''(3) ALL-INCLUSIVE RATE.—If a hospital elects this paragraph to apply, with respect to both facility services and professional services, there shall be paid amounts equal to the reasonable costs of the critical access hospital in providing such services, less the amount that such hospital may charge as described in section 1866(a)(2)(A).''.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for cost reporting periods beginning on or after October 1, 1999.

(e) ELIMINATION OF COINSURANCE FOR CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED BY A CRITICAL ACCESS HOSPITAL ON AN OUTPATIENT BASIS.—

(1) IN GENERAL.—Section 1833(a)(1)(D) (42 U.S.C. 1395l(a)(1)(D)) is amended by inserting ''or which are furnished on an outpatient basis by a critical access hospital'' after ''on an assignment-related basis''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after the date of the enactment of this Act.

(f) PARTICIPATION IN SWING BED PROGRAM.—Section 1883 (42 U.S.C. 1395tt) is amended—

(1) in subsection (a)(1), by striking ''(other than a hospital which has in effect a waiver under subparagraph (A) of the last sentence of section 1861(e))''; and

(2) in subsection (c), by striking '', or during which there is in effect for the hospital a waiver under subparagraph (A) of the last sentence of section 1861(e)''.

SEC. 404. 5-YEAR EXTENSION OF MEDICARE DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(1) in clause (i), by striking ''and before October 1, 2001,'' and inserting ''and before October 1, 2006''; and

(2) in clause (ii)(II), by striking ''and before October 1, 2001,'' and inserting ''and before October 1, 2006''.

(b) CONFORMING AMENDMENTS.—

(1) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended—

(A) in the matter preceding clause (i), by striking ''and before October 1, 2001,'' and inserting ''and before October 1, 2006''; and

(B) in clause (iv), by striking ''during fiscal year 1998 through fiscal year 2000'' and inserting ''during fiscal year 1998 through fiscal year 2005''.

(2) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note), as amended by section 4204(a)(3) of BBA, is amended by striking ''or fiscal year 2000'' and inserting ''or fiscal year 2000 through fiscal year 2005''.

SEC. 405. REBASING FOR CERTAIN SOLE COMMUNITY HOSPITALS.

Section 1886(b)(3) (42 U.S.C. 1395ww(b)(3)), as amended by sections 4413 and 4414 of BBA, is amended—

(1) in subparagraph (C), by inserting ''subject to subparagraph (I)'' before ''the term 'target amount' means''; and

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

''(I)(i) For cost reporting periods beginning on or after October 1, 2000, in the case of a sole community hospital that for its cost reporting period beginning during 1999 is paid on the basis of the target amount applicable to the hospital under subparagraph (C) and that elects (in a form and manner determined by the Secretary) this subparagraph to apply to the hospital, there shall be substituted for the base cost reporting period described in subparagraph (C) the rebased target amount determined under this subparagraph.

''(ii) For purposes of clause (i), the rebased target amount applicable to a hospital making an election under this subparagraph is equal to the sum of the following:

''(I) With respect to discharges occurring in fiscal year 2001, 75 percent of the target amount applicable to the hospital under subparagraph (C) (hereinafter in this subparagraph referred to as the 'subparagraph (C) target amount') and 25 percent of the amount of the allowable operating costs of inpatient hospital services (as defined in subsection (a)(4)) recognized under this title for the hospital for the 12-month cost reporting period beginning during fiscal year 1996 (hereinafter in this subparagraph referred to as the 'rebased target amount'), increased by the applicable percentage increase under subparagraph (B)(iv).

''(II) With respect to discharges occurring in fiscal year 2002, 50 percent of the subparagraph (C) target amount and 50 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

''(III) With respect to discharges occurring in fiscal year 2003, 25 percent of the subparagraph (C) target amount and 75 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

''(IV) With respect to discharges occurring in fiscal year 2003 or any subsequent fiscal year, 100 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).''.

SEC. 406. INCREASED FLEXIBILITY IN PROVIDING GRADUATE PHYSICIAN TRAINING IN RURAL AREAS.

(a) PERMITTING 30 PERCENT EXPANSION IN CURRENT GME TRAINING PROGRAMS FOR HOSPITALS LOCATED IN RURAL AREAS.—

(1) PAYMENT FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(h)(4)(F) (42 U.S.C. 1395ww(h)(4)(F)), as added by section 4623 of BBA, is amended by inserting ''(or, 130 percent of such number in the case of a hospital located in a rural area)'' after ''may not exceed the number''.

(2) PAYMENT FOR INDIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(d)(5)(B)(v) (42 U.S.C. 1395ww(d)(5)(B)(v)), as added by section 4621(b)(1) of BBA, is amended by inserting ''(or, 130 percent of such number in the case of a hospital located in a rural area)'' after ''may not exceed the number''.

(3) EFFECTIVE DATES.—(A) The amendment made by paragraph (1) applies to cost reporting periods beginning on or after October 1, 1999.

(B) The amendment made by paragraph (2) applies to discharges occurring on or after October 1, 1999.

(b) SPECIAL RULE FOR NON-RURAL FACILITIES SERVING RURAL AREAS.—

(1) IN GENERAL.—Section 1886(h)(4)(H) (42 U.S.C. 1395ww(h)(4)(H)), as added by section 4623 of BBA, is amended by adding at the end the following new clause:

''(iv) NON-RURAL HOSPITALS OPERATING TRAINING PROGRAMS IN UNDERSERVED RURAL AREAS.—In the case of a hospital that is not located in a rural area but establishes separately accredited approved medical residency training programs (or rural tracks) in an underserved rural area or has an accredited training program with an integrated rural track, the Secretary shall adjust the limitation under subparagraph (F) in an appropriate manner insofar as it applies to such programs in such underserved rural areas in order to encourage the training of physicians in underserved rural areas.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies with respect to—

(A) payments to hospitals under section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) for cost reporting periods beginning on or after October 1, 1999; and

(B) payments to hospitals under section 1886(d)(5)(B)(v) of such Act (42 U.S.C. 1395ww(d)(5)(B)(v)) for discharges occurring on or after October 1, 1999.

SEC. 407. ELIMINATION OF CERTAIN RESTRICTIONS WITH RESPECT TO HOSPITAL SWING BED PROGRAM.

(a) ELIMINATION OF REQUIREMENT FOR STATE CERTIFICATE OF NEED.—Section 1883(b) (42 U.S.C. 1395tt(b)) is amended to read as follows:

''(b) The Secretary may not enter into an agreement under this section with any hospital unless, except as provided under subsection (g), the hospital is located in a rural area and has less than 100 beds.''.

(b) ELIMINATION OF SWING BED RESTRICTIONS ON CERTAIN HOSPITALS WITH MORE THAN 49 BEDS.—Section 1883(d) (42 U.S.C. 1395tt(d)) is amended—

(1) by striking paragraphs (2) and (3); and

(2) by striking ''(d)(1)'' and inserting ''(d)''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is the first day after the expiration of the transition period under section 1888(e)(2)(E) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(E)), as added by section 4432(a) of BBA, for payments for covered skilled nursing facility services under the medicare program.

SEC. 408. GRANT PROGRAM FOR RURAL HOSPITAL TRANSITION TO PROSPECTIVE PAYMENT.

Section 1820(g) (42 U.S.C. 1395i–4(g)), as added by section 4201(a) of BBA, is amended by adding at the end the following new paragraph:

''(3) UPGRADING DATA SYSTEMS.—

''(A) GRANTS TO HOSPITALS.—The Secretary may award grants to hospitals that have submitted applications in accordance with subparagraph (C) to assist eligible small rural hospitals in meeting the costs of implementing data systems required to meet requirements established under the medicare program pursuant to amendments made by the Balanced Budget Act of 1997.

''(B) ELIGIBLE SMALL RURAL HOSPITAL DEFINED.—For purposes of this paragraph, the term 'eligible small rural hospital' means a non-Federal, short-term general acute care hospital that—

''(i) is located in a rural area (as defined for purposes of section 1886(d)); and

''(ii) has less than 50 beds.

''(C) APPLICATION.—A hospital seeking a grant under this paragraph shall submit an application to the Secretary on or before such date and in such form and manner as the Secretary specifies.

''(D) AMOUNT OF GRANT.—A grant to a hospital under this paragraph may not exceed $50,000.

''(E) USE OF FUNDS.—A hospital receiving a grant under this paragraph may use the funds for the purchase of computer software and hardware and for the education and training of hospital staff on computer information systems and costs related to the implementation of prospective payment systems.

''(F) REPORT.—

''(i) INFORMATION.—A hospital receiving a grant under this section shall furnish the Secretary with such information as the Secretary may require to evaluate the project for which the grant is made and to ensure that the grant is expended for the purposes for which it is made.

''(ii) REPORTING.—

''(I) INTERIM REPORTS.—The Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate at least annually on the grant program established under this section, including in such report information on the number of grants made, the nature of the projects involved, the geographic distribution of grant recipients, and such other matters as the Secretary deems appropriate.

''(II) FINAL REPORT.—The Secretary shall submit a final report to such committees not later than 180 days after the completion of all of the projects for which a grant is made under this section.''.

SEC. 409. MEDPAC STUDY OF RURAL PROVIDERS.

(a) STUDY.—The Medicare Payment Advisory Commission shall conduct a study on rural providers furnishing items and services for which payment is made under title XVIII of the Social Security Act. Such study shall examine and evaluate the adequacy and appropriateness of the categories of special payments (and payment methodologies) established for rural hospitals under the medicare program, and their impact on beneficiary access and quality of health care services.

(b) REPORT.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on the study conducted under subsection (a).

SEC. 410. EXPANSION OF ACCESS TO PARAMEDIC INTERCEPT SERVICES IN RURAL AREAS.

(a) EXPANSION OF PAYMENT AREAS.—Section 4531(c) of BBA (42 U.S.C. 1395x(s)(7) note, 111 Stat. 452) is amended by adding at the end the following flush sentence:

''For purposes of this subsection, an area shall be treated as a rural area if it is designated as a rural area by any law or regulation of the State or if it is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2000, and applies to paramedic intercept services furnished on or after such date.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

SEC. 501. PHASE-IN OF NEW RISK ADJUSTMENT METHODOLOGY.

Section 1853(a)(3)(C) (42 U.S.C. 1395w–23(a)(3)(C)) is amended—

(1) by redesignating the first sentence as clause (i) with the heading ''IN GENERAL.—'' and appropriate indentation; and

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

''(ii) PHASE-IN.—Such risk adjustment methodology shall be implemented in a phased-in manner so that the methodology insofar as it makes adjustments for health status based on clinical data applies to—

''(I) not more than 10 percent of the payment amount in 2000 and 2001;

''(II) not more than 20 percent of such amount in 2002;

''(III) not more than 30 percent of such amount in 2003; and

''(IV) 100 percent of such amount in any subsequent year (at which time the risk adjustment methodology should reflect data from multiple settings).''.

SEC. 502. ENCOURAGING OFFERING OF MEDICARE+CHOICE PLANS IN AREAS WITHOUT PLANS.

Section 1853 (42 U.S.C. 1395w–23) is amended—

(1) in subsection (a)(1), by striking ''subsections (e) and (f)'' and inserting ''subsections (e), (g), and (i)'';

(2) in subsection (c)(5), by inserting ''(other than those attributable to subsection (i))'' after ''payments under this part''; and

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

''(i) NEW ENTRY BONUS.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of Medicare+Choice payment area in which a Medicare+Choice plan has not been offered since 1997 (or in which all organizations that offered a plan since such date have filed notice with the Secretary, as of October 13, 1999, that they will not be offering such a plan as of January 1, 2000), the amount of the monthly payment otherwise made under this subsection shall be increased—

''(A) only for the first 12 months in which any Medicare+Choice plan is offered in the area, by 5 percent of the total monthly payment otherwise computed for such payment area; and

''(B) only for the subsequent 12 months, by 3 percent of the total monthly payment otherwise computed for such payment area.

''(2) PERIOD OF APPLICATION.—Paragraph (1) shall only apply to payment for Medicare+Choice plans which are first offered in a Medicare+Choice payment area during the 2-year period beginning with January 1, 2000.

''(3) LIMITATION TO ORGANIZATION OFFERING FIRST PLAN IN AN AREA.—Paragraph (1) shall only apply to payment to the first Medicare+Choice organization that offers a Medicare+Choice plan in each Medicare+Choice payment area, except that if more than one such organization first offers such a plan in an area on the same date, paragraph (1) shall apply to payment for such organizations.

''(4) CONSTRUCTION.—Nothing in paragraph (1) shall be construed as affecting the calculation of the annual Medicare+Choice capitation rate for any payment area under subsection (c) or as applying to payment for any period not described in such paragraph.

''(5) OFFERED DEFINED.—In this subsection, the term 'offered' means, with respect to a Medicare+Choice plan as of a date, that a Medicare+Choice eligible individual may enroll with the plan on that date, regardless of when the enrollment takes effect or the individual obtain benefits under the plan.''.

SEC. 503. MODIFICATION OF 5-YEAR RE-ENTRY RULE FOR CONTRACT TERMINATIONS.

(a) IN GENERAL.—Section 1857(c)(4) (42 U.S.C. 1395w–27(c)(4)) is amended—

(1) by inserting ''as provided in paragraph (2) and except'' after ''except'';

(2) by redesignating the first sentence as a subparagraph (A) with an appropriate indentation and the heading ''IN GENERAL.—''; and

(3) by adding at the end the following new subparagraph:

''(B) EARLIER RE-ENTRY PERMITTED WHERE CHANGE IN PAYMENT POLICY AND NO MORE THAN ONE OTHER PLAN AVAILABLE.—Subparagraph (A) shall not apply with respect to the offering by a Medicare+Choice organization of a Medicare+Choice plan in a Medicare+Choice payment area if—

''(i) during the 6-month period beginning on the date the organization notified the Secretary of the intention to terminate the most recent previous contract, there was a legislative change enacted (or a regulatory change adopted) that has the effect of increasing payment rates under section 1853 for that Medicare+Choice payment area; and

''(ii) at the time the organization notifies the Secretary of its intent to enter into a contract to offer such a plan in the area, there is no more than one Medicare+Choice plan offered in the area.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contract terminations occurring before, on, or after the date of the enactment of this Act.

SEC. 504. CONTINUED COMPUTATION AND PUBLICATION OF AAPCC DATA.

(a) IN GENERAL.—Section 1853(b) (42 U.S.C. 1395w–23(b)) is amended by adding at the end the following new paragraph:

''(4) CONTINUED COMPUTATION AND PUBLICATION OF COUNTY-SPECIFIC PER CAPITA FEE-FOR-SERVICE EXPENDITURE INFORMATION.—The Secretary, through the Chief Actuary of the Health Care Financing Administration, shall provide for the computation and publication, on an annual basis at the time of publication of the annual Medicare+Choice capitation rates, of information on the level of the average annual per capita costs (described in section 1876(a)(4)) for each Medicare+Choice payment area.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply to publications of the annual Medicare+Choice capitation rates made on or after such date.

SEC. 505. CHANGES IN MEDICARE+CHOICE ENROLLMENT RULES.

(a) PERMITTING ENROLLMENT IN ALTERNATIVE MEDICARE+CHOICE PLANS AND MEDIGAP COVERAGE IN CASE OF INVOLUNTARY TERMINATION OF MEDICARE+CHOICE ENROLLMENT.—

(1) IN GENERAL.—Section 1851(e)(4) (42 U.S.C. 1395w–21(e)(4)) is amended by striking subparagraph (A) and inserting the following:

''(A)(i) the certification of the organization or plan under this part has been terminated, or the organization or plan has notified the individual or the Secretary of an impending termination of such certification; or

''(ii) the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides, or has notified the individual or Secretary of an impending termination or discontinuation of such plan;''.

(2) CONFORMING MEDIGAP AMENDMENT.—Section 1882(s)(3) (42 U.S.C. 1395ss(s)(3)) is amended—

(A) in subparagraph (A), by inserting '', subject to subparagraph (E),'' after ''in the case of an individual described in subparagraph (B) who''; and

(B) by adding at the end the following new subparagraph:

''(E)(i) An individual described in subparagraph (B)(ii) may elect to apply subparagraph (A) by substituting, for the date of termination of enrollment, the date on which the individual or Secretary was notified by the Medicare+Choice organization of the impending termination or discontinuance of the Medicare+Choice plan in the area in which the individual resides, but only if the individual disenrolls from the plan as a result of such notification.

''(ii) In the case of an individual making such an election, the issuer involved shall accept the application of the individual submitted before the date of termination of enrollment, but the coverage under subparagraph (A) shall only become effective upon termination of coverage under the Medicare+Choice plan involved.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to notices of impending terminations or

discontinuances made on or after the date of the enactment of this Act.

(b) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—Section 1851(e)(2) (42 U.S.C. 1395w–21(e)(2)) is amended—

(1) in subparagraph (B)(i), by inserting ''and subparagraph (D)'' after ''clause (ii)'';

(2) in subparagraph (C)(i), by inserting ''and subparagraph (D)'' after ''clause (ii)''; and

(3) by adding at the end the following new subparagraph:

''(D) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—At any time after 2001 in the case of a Medicare+Choice eligible individual who is institutionalized, the individual may change the election under subsection (a)(1).''.

(c) CONTINUING ENROLLMENT FOR CERTAIN ENROLLEES.—Section 1851(b)(1) (42 U.S.C. 1395w–21(b)(1)) is amended—

(1) in subparagraph (A), by inserting ''and except as provided in subparagraph (C)'' after ''may otherwise provide''; and

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

''(C) CONTINUATION OF ENROLLMENT PERMITTED WHERE SERVICE CHANGED.—Notwithstanding subparagraph (B), if a Medicare+Choice organization eliminates from its service area a geographic area that was previously within its service area, the organization may elect to offer individuals residing in all or portions of the affected geographic area who would otherwise be ineligible to continue enrollment the option to continue enrollment in a Medicare+Choice plan it offers so long as—

''(i) the enrollee agrees to receive the full range of basic benefits (excluding emergency and urgently needed care) exclusively at facilities designated by the organization within the plan service area; and

''(ii) there is no other Medicare+Choice plan offered in the area in which the enrollee resides at the time of the organization's election.''.

(d) EFFECTIVE DATE.—The amendments made by subsection (b) and (c) apply as if included in the enactment of BBA and the amendments made by subsection (c) apply to eliminations of geographic areas from a service area that occur before, on, or after the date of the enactment of this Act.

SEC. 506. ALLOWING VARIATION IN PREMIUM WAIVERS WITHIN A SERVICE AREA IF MEDICARE+CHOICE PAYMENT RATES VARY WITHIN THE AREA.

(a) IN GENERAL.—Section 1854(c) (42 U.S.C. 1395w–24(c)) is amended—

(1) by striking ''The'' and inserting ''Subject to paragraph (2), the'';

(2) by redesignating the first sentence as a paragraph (1) with an appropriate indentation and the heading ''IN GENERAL.—''; and

(3) by adding at the end the following new paragraph:

''(2) VARIATION IN PREMIUM WAIVER PERMITTED.—A Medicare+Choice organization may waive part or all of a premium described in paragraph (1) for one or more Medicare+Choice payment areas within its service area if the annual Medicare+Choice capitation rates under section 1853(c) vary between such payment area and other payment areas within such service area.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to premiums for contract years beginning on or after January 1, 2001.

SEC. 507. DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.

(a) DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.—Section 1854(a)(1) (42 U.S.C. 1395w–24(a)(1)) is amended by striking ''May 1'' and inserting ''July 1''.

(b) ADJUSTMENT IN INFORMATION DISCLOSURE PROVISIONS.—Section 1851(d)(2)(A)(ii) (42 U.S.C. 1395w–21(d)(2)(A)(ii)) is amended by inserting after ''information described in paragraph (4) concerning such plans'' the following: '', to the extent such information is available at the time of preparation of the material for mailing''.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to information submitted by Medicare+Choice organizations (and provided to beneficiaries) for years beginning with 1999.

SEC. 508. 2 YEAR EXTENSION OF MEDICARE COST CONTRACTS.

Section 1876(h)(5)(B) (42 U.S.C. 1395mm(h)(5)(B)) is amended by striking ''2002'' and inserting ''2004''.

SEC. 509. MEDICARE+CHOICE NURSING AND ALLIED HEALTH PROFESSIONAL EDUCATION PAYMENTS.

Section 1886(d)(11) (42 U.S.C. 1395ww(d)(11)) is amended—

(1) in subparagraph (A)—

(A) by designating the portion following ''IN GENERAL.—'' as a clause (i) with the heading ''GRADUATE MEDICAL TRAINING.—'' and appropriate indentation; and

(B) by adding at the end the following new clause:

''(ii) NURSING AND ALLIED HEALTH TRAINING.—For portions of cost reporting periods occurring on or after January 1, 2000, the Secretary shall provide for an additional payment amount for each applicable discharge of any subsection (d) hospital that has direct costs of approved education activities for nurse and allied health professional training.'';

(2) in subparagraph (C)—

(A) designating the portion following ''DETERMINATION OF AMOUNT.—'' as a clause (i) with the heading ''GRADUATE MEDICAL TRAINING.—'' and appropriate indentation;

(B) by striking ''under this paragraph'' and inserting ''under subparagraph (A)(i)'';

(C) by inserting ''the DGME portion (as defined in clause (iii)) of'' after ''shall be equal to''; and

(D) by adding at the end the following new clauses:

''(ii) NURSING AND ALLIED HEALTH TRAINING.—The amount of the payment under subparagraph (A)(ii) with respect to any applicable discharge shall be equal to an amount specified by the Secretary in a manner consistent with the following:

''(I) The total payments under such subparagraph in a year shall bear the same ratio to the Secretary's estimate of the total payments under subparagraph (A)(i) in the year as the ratio (as estimated by the Secretary) of the total payments under this title for direct costs described in subparagraph (A)(ii) in the year bear to the total payments under section 1886(h) in the year; but in no case shall the total payments under subparagraph (A)(ii) exceed $60,000,000 in a year.

''(II) The payments to different hospitals are proportional to the direct costs of each hospital described in subparagraph (A)(ii).

''(iii) DGME PORTION DEFINED.—For purposes of this subparagraph, the 'DGME portion' means, for a year, the ratio of—

''(I) the amount by which (aa) the Secretary's estimate of the total additional payments that would be payable under this paragraph for the year if subparagraph (A)(ii) and clause (ii) of this subparagraph did not apply, exceeds (bb) the total payments in the year under subparagraph (A)(ii); to

''(II) the total additional payments estimated under subclause (I)(aa) for the year.''.

SEC. 510. REDUCTION IN ADJUSTMENT IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE FOR 2002.

Section 1853(c)(6)(B)(iv) (42 U.S.C. 1395w–23(c)(6)(B)(iv)) is amended by striking ''0.5 percentage points'' and inserting ''0.3 percentage points''.

SEC. 511. DEEMING OF MEDICARE+CHOICE ORGANIZATION TO MEET REQUIREMENTS.

Section 1852(e)(4) (42 U.S.C. 1395w–22(e)(4)) is amended to read as follows:

''(4) TREATMENT OF ACCREDITATION.—The Secretary shall provide that a Medicare+Choice organization is deemed to meet requirements of paragraphs (1) and (2) of this subsection and subsection (h) (relating to confidentiality and accuracy of enrollee records) if the organization is accredited (and periodically reaccredited) by a private accrediting organization under a process that the Secretary has determined assures that the accrediting organization applies standards that meet or exceed the standards established under section 1856 to carry out the respective requirements. The Secretary shall determine, within 210 days after the date the Secretary receives an application by a private accrediting organization, whether the process of the private accrediting organization meets the requirements of the preceding sentence using the criteria specified in section 1865(b)(2). The Secretary shall, using the process described in section 1865(b), deem a Medicare+Choice organization that is so accredited as meeting the requirements of paragraphs (1) and (2) of this subsection and subsection (h).''

SEC. 512. MISCELLANEOUS CHANGES AND STUDIES.

(a) PERMITTING RELIGIOUS FRATERNAL BENEFIT SOCIETIES TO OFFER A RANGE OF MEDICARE+CHOICE PLANS.—Section 1859(e)(2) (42 U.S.C. 1395w–29(e)(2)) is amended in the matter preceding subparagraph (A) by striking ''section 1851(a)(2)(A)'' and inserting ''section 1851(a)(2)''.

(b) STUDY OF ACCOUNTING FOR VA AND DOD EXPENDITURES FOR MEDICARE BENEFICIARIES.—The Secretary of Health and Human Services, jointly with the Secretaries of Defense and of Veterans Affairs, shall submit to Congress not later than 1 year after the date of the enactment of this Act a report on the estimated use of health care services furnished by the Departments of Defense and of Veterans Affairs to medicare beneficiaries, including both beneficiaries under the original medicare fee-for-service program and under the Medicare+Choice program. The report shall include an analysis of how best to properly account for expenditures for such services in the computation of Medicare+Choice capitation rates.

(c) PROMOTING PROMPT IMPLEMENTATION OF INFORMATICS, TELEMEDICINE, AND EDUCATION DEMONSTRATION PROJECT.—Section 4207 of BBA is amended—

(1) in subsection (a)(1), by adding at the end the following: ''The Secretary shall make an award for such project not later than 3 months after the date of the enactment of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999. The Secretary shall accept the proposal adjudged to be the best technical proposal as of such date of enactment without the need for additional review or resubmission of proposals.'';

(2) in subsection (a)(2)(A), by inserting before the period at the end the following: ''that qualify as Federally designated medically underserved areas or health professional shortage areas at the time of enrollment of beneficiaries under the project'';

(3) in subsection (c)(2), by striking ''and the source and amount of non-Federal funds used in the project'';

(4) in subsection (d)(2)(A), by striking ''at a rate of 50 percent of the costs that are reasonable and'' and inserting ''for the costs that are related'';

(5) in subsection (d)(2)(B)(i), by striking ''(but only in the case of patients located in medically underserved areas)'' and inserting ''or at sites providing health care to patients located in medically underserved areas'';

(6) in subsection (d)(2)(C)(i), by striking ''to deliver medical informatics services under'' and inserting ''for activities related to''; and

(7) by amending paragraph (4) of subsection (d) to read as follows:

''(4) COST-SHARING.—The project may not impose cost sharing on a medicare beneficiary for the receipt of services under the project. Project costs will cover all costs to patients and providers related to participation in the project.''.

SEC. 513. MEDPAC REPORT ON MEDICARE MSA (MEDICAL SAVINGS ACCOUNT) PLANS.

Not later than 1 year after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on specific legislative changes that should be made to make MSA plans a viable option under the Medicare+Choice program.

SEC. 514. CLARIFICATION OF NONAPPLICABILITY OF CERTAIN PROVISIONS OF DISCHARGE PLANNING PROCESS TO MEDICARE+CHOICE PLANS.

(a) IN GENERAL.—Section 1861(ee)(2)(H) (42 U.S.C. 1395x(ee)(2)(H)), as added by section 4431 of BBA, is amended—

(1) in clause (i)—

(A) by striking ''not specify'' and inserting ''subject to clause (iii), not specify''; and

(B) by striking ''and'' at the end; and

(2) in clause (ii), by striking the period at the end and inserting '', and''; and

(3) by adding at the end the following new clause:

''(iii) for individuals enrolled under a Medicare+Choice plan, under a contract with the Secretary under section 1857, for whom a hospital furnishes inpatient hospital services, the hospital may specify with respect to such individual the provider of post-hospital home health services or other post-hospital services under the plan.''.

Subtitle B—Managed Care Demonstration Projects

SEC. 521. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATION (SHMO) PROJECT AUTHORITY.

(a) EXTENSION.—Section 4018(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), as amended by section 4014(a)(1) of BBA, is amended—

(1) in paragraph (1), by striking ''December 31, 2000'' and inserting ''the date that is 18 months after the date that the Secretary submits to Congress the report described in section 4014(c) of the Balanced Budget Act of 1997''; and

(2) by adding at the end of paragraph (4) the following: ''Not later than 6 months after the date the Secretary submits such final report, the Medicare Payment Advisory Commission shall submit to Congress a report containing recommendations regarding such project.''.

(b) SUBSTITUTION OF AGGREGATE CAP.—Section 13567(c) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66), as amended by section 4014(b) of BBA, is amended to read as follows:

''(c) AGGREGATE LIMIT ON NUMBER OF MEMBERS.—The Secretary of Health and Human Services may not impose a limit on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984, other than an aggregate limit of not less than 324,000 for all sites.''.

SEC. 522. EXTENSION OF MEDICARE COMMUNITY NURSING ORGANIZATION DEMONSTRATION PROJECT.

(a) EXTENSION.—Notwithstanding any other provision of law, any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–123) and conducted for the additional period of 2 years as provided for under section 4019 of BBA, shall be conducted for an additional period of 2 years.

(b) REPORT.—By not later than July 1, 2001, the Secretary of Health and Human Services shall submit to Congress a report describing the results of any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987, and describing the data collected by the Secretary relevant to the analysis of the results of such project, including the most recently available data through the end of 2000.

SEC. 523. MEDICARE+CHOICE COMPETITIVE BIDDING DEMONSTRATION PROJECT.

Section 4011 of BBA is amended—

(1) in subsection (a)—

(A) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Secretary''; and

(B) by adding at the end the following:

''(2) DELAY IN IMPLEMENTATION.—The Secretary shall not implement the project until January 1, 2002, or, if later, 6 months after the date the Competitive Pricing Advisory Committee has submitted to Congress a report on each of the following topics:

''(A) INCORPORATION OF ORIGINAL FEE-FOR-SERVICE MEDICARE PROGRAM INTO PROJECT.—What changes would be required in the project to feasibly incorporate the original fee-for-service medicare program into the project in the areas in which the project is operational.

''(B) QUALITY ACTIVITIES.—The nature and extent of the quality reporting and monitoring activities that should be required of plans participating in the project, the estimated costs that plans will incur as a result of these requirements, and the current ability of the Health Care Financing Administration to collect and report comparable data, sufficient to support comparable quality reporting and monitoring activities with respect to beneficiaries enrolled in the original fee-for-service medicare program generally.

''(C) RURAL PROJECT.—The current viability of initiating a project site in a rural area, given the site specific budget neutrality requirements of the project, and insofar as the Committee decides that the addition of such a site is not viable, recommendations on how the project might best be changed so that such a site is viable.

''(D) BENEFIT STRUCTURE.—The nature and extent of the benefit structure that should be required of plans participating in the project, the rationale for such benefit structure, the potential implications that any benefit standardization requirement may have on the number of plan choices available to a beneficiary in an area designated under the project, the potential implications of requiring participating plans to offer variations on any standardized benefit package the committee might recommend, such that a beneficiary could elect to pay a higher percentage of out-of-pocket costs in exchange for a lower premium (or premium rebate as the case may be), and the potential implications of expanding the project (in conjunction with the potential inclusion of the original fee-for-service medicare program) to require medicare supplemental insurance plans operating in an area designated under the project to offer a coordinated and comparable standardized benefit package.

''(3) CONFORMING DEADLINES.—Any dates specified in the succeeding provisions of this section shall be delayed (as specified by the Secretary) in a manner consistent with the delay effected under paragraph (2).''; and

(2) in subsection (c)(1)(A)—

(A) by striking ''and'' at the end of clause (i); and

(B) by adding at the end the following new clause:

''(iii) establish beneficiary premiums for plans offered in such area in a manner such that a beneficiary who enrolls in an offered plan with a below average price (as established by the competitive pricing methodology established for such area) may, at the plan's election, be offered a rebate of some or all of the medicare part B premium that such individual must otherwise pay in order to participate in a Medicare+Choice plan under the Medicare+Choice program; and''.

SEC. 524. EXTENSION OF MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

Section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of the Omnibus Budget Reconciliation Act of 1989, section 13557 of the Omnibus Budget Reconciliation Act of 1993, and section 4017 of BBA, is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

SEC. 525. MEDICARE COORDINATED CARE DEMONSTRATION PROJECT.

Section 4016(e)(1)(A)(ii) of the Balanced Budget Act of 1997 (42 U.S.C. 1395b–1 note) is amended to read as follows:

''(ii) CANCER HOSPITAL.—In the case of the project described in subsection (b)(2)(C), the Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Insurance Trust Fund under title XVIII of the Social Security Act (42 U.S.C. 1395i, 1395t), in such proportions as the Secretary determines to be appropriate, of such funds as are necessary to cover costs of the project, including costs for information infrastructure and recurring costs of case management services, flexible benefits, and program management.''.

TITLE VI—MEDICAID

SEC. 601. MAKING MEDICAID DSH TRANSITION RULE PERMANENT.

(a) IN GENERAL.—Section 4721(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1396r–4 note) is amended—

(1) in the matter before paragraph (1), by striking ''1923(g)(2)(A)'' and ''1396r–4(g)(2)(A)'' and inserting ''1923(g)(2)'' and ''1396r–4(g)(2)'', respectively;

(2) in paragraphs (1) and (2)—

(A) by striking '', and before July 1, 1999''; and

(B) by striking ''in such section'' and inserting ''in subparagraph (A) of such section''; and

(3) by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ''; and'', and by adding at the end the following new paragraph:

''(3) effective for State fiscal years that begin on or after July 1, 1999, 'or (b)(1)(B)' were inserted in section 1923(g)(2)(B)(ii)(I) after '(b)(1)(A)'.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 4721(e) of the Balanced Budget Act of 1997 (Public Law 105–33; 110 Stat. 514).

SEC. 602. INCREASE IN DSH ALLOTMENT FOR CERTAIN STATES AND THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—The table in section 1923(f)(2) (42 U.S.C. 1396r–4(f)(2)) is amended

under each of the columns for FY 00, FY 01, and FY 02—

(1) in the entry for the District of Columbia, by striking ''23'' and inserting ''32'';

(2) in the entry for Minnesota, by striking ''16'' and inserting ''33'';

(3) in the entry for New Mexico, by striking ''5'' and inserting ''9''; and

(4) in the entry for Wyoming, by striking ''0'' and inserting ''.100''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on October 1, 1999, and applies to expenditures made on or after such date.

SEC. 603. NEW PROSPECTIVE PAYMENT SYSTEM FOR FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (13)—

(A) in subparagraph (A), by adding ''and'' at the end;

(B) in subparagraph (B), by striking ''and'' at the end; and

(C) by striking subparagraph (C); and

(2) by inserting after paragraph (14) the following new paragraph:

''(15) for payment for services described in clause (B) or (C) of section 1905(a)(2) under the plan in accordance with subsection (aa);''.

(b) NEW PROSPECTIVE PAYMENT SYSTEM.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following:

''(aa) PAYMENT FOR SERVICES PROVIDED BY FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.—

''(1) IN GENERAL.—Beginning with fiscal year 2000 and each succeeding fiscal year, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by a Federally-qualified health center and services described in section 1905(a)(2)(B) furnished by a rural health clinic in accordance with the provisions of this subsection.

''(2) FISCAL YEAR 2000.—Subject to paragraph (4), for services furnished during fiscal year 2000, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of the center or clinic of furnishing such services during fiscal year 1999 which are reasonable and related to the cost of furnishing such services, or based on such other tests of reasonableness as the Secretary prescribes in regulations under section 1833(a)(3), or, in the case of services to which such regulations do not apply, the same methodology used under section 1833(a)(3), adjusted to take into account any increase in the scope of such services furnished by the center or clinic during fiscal year 2000.

''(3) FISCAL YEAR 2001 AND SUCCEEDING FISCAL YEARS.—Subject to paragraph (4), for services furnished during fiscal year 2001 or a succeeding fiscal year, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to the amount calculated for such services under this subsection for the preceding fiscal year—

''(A) increased by the percentage increase in the MEI (as defined in section 1842(i)(3)) applicable to primary care services (as defined in section 1842(i)(4)) for that fiscal year; and

''(B) adjusted to take into account any increase in the scope of such services furnished by the center or clinic during that fiscal year.

''(4) ESTABLISHMENT OF INITIAL YEAR PAYMENT AMOUNT FOR NEW CENTERS OR CLINICS.—In any case in which an entity first qualifies as a Federally-qualified health center or rural health clinic after fiscal year 1999, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by the center or services described in section 1905(a)(2)(B) furnished by the clinic in the first fiscal year in which the center or clinic so qualifies in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of furnishing such services during such fiscal year in accordance with the regulations and methodology referred to in paragraph (2). For each fiscal year following the fiscal year in which the entity first qualifies as a Federally-qualified health center or rural health clinic, the State plan shall provide for the payment amount to be calculated in accordance with paragraph (3).

''(5) ADMINISTRATION IN THE CASE OF MANAGED CARE.—In the case of services furnished by a Federally-qualified health center or rural health clinic pursuant to a contract between the center or clinic and a managed care entity (as defined in section 1932(a)(1)(B)), the State plan shall provide for payment to the center or clinic (at least quarterly) by the State of a supplemental payment equal to the amount (if any) by which the amount determined under paragraphs (2), (3), and (4) of this subsection exceeds the amount of the payments provided under the contract.

''(6) ALTERNATIVE PAYMENT METHODOLOGIES.—Notwithstanding any other provision of this section, the State plan may provide for payment in any fiscal year to a Federally-qualified health center for services described in section 1905(a)(2)(C) or to a rural health clinic for services described in section 1905(a)(2)(B) in an amount which is determined under an alternative payment methodology that—

''(A) is agreed to by the State and the center or clinic; and

''(B) results in payment to the center or clinic of an amount which is at least equal to the amount otherwise required to be paid to the center or clinic under this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 4712 of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 508) is amended by striking subsection (c).

(2) Section 1915(b) of the Social Security Act (42 U.S.C. 1396n(b)) is amended by striking ''1902(a)(13)(E)'' and inserting ''1902(a)(15), 1902(aa),''.

(d) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1999, and apply to services furnished on or after such date.

SEC. 604. PARITY IN REIMBURSEMENT FOR CERTAIN UTILIZATION AND QUALITY CONTROL SERVICES.

(a) IN GENERAL.—Section 1903(a)(3)(C)(i) (42 U.S.C. 1396b(a)(3)(C)(i)) is amended—

(1) by inserting ''(other than a review described in clause (ii))'' after ''quality review''; and

(2) by inserting ''(or under a contract with the State that sets forth standards of performance equivalent to those under section 1902(d))'' before the semicolon.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to expenditures made on and after the date of the enactment of this Act.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

SEC. 701. STABILIZING THE SCHIP ALLOTMENT FORMULA.

(a) IN GENERAL.—Section 2104(b) (42 U.S.C. 1397dd(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking ''through 2000'' and inserting ''and 1999''; and

(B) in clause (ii), by striking ''2001'' and inserting ''2000'';

(2) by amending paragraph (4) to read as follows:

''(4) FLOORS AND CEILINGS IN STATE ALLOTMENTS.—

''(A) IN GENERAL.—The proportion of the allotment under this subsection for a subsection (b) State (as defined in subparagraph (D)) for fiscal year 2000 and each fiscal year thereafter shall be subject to the following floors and ceilings:

''(i) FLOOR OF $2,000,000.—A floor equal to $2,000,000 divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

''(ii) ANNUAL FLOOR OF 10 PERCENT BELOW PRECEDING FISCAL YEAR'S PROPORTION.—A floor of 90 percent of the proportion for the State for the preceding fiscal year.

''(iii) CUMULATIVE FLOOR OF 30 PERCENT BELOW THE FY 1999 PROPORTION.—A floor of 70 percent of the proportion for the State for fiscal year 1999.

''(iv) CUMULATIVE CEILING OF 45 PERCENT ABOVE FY 1999 PROPORTION.—A ceiling of 145 percent of the proportion for the State for fiscal year 1999.

''(B) RECONCILIATION.—

''(i) ELIMINATION OF ANY DEFICIT BY ESTABLISHING A PERCENTAGE INCREASE CEILING FOR STATES WITH HIGHEST ANNUAL PERCENTAGE INCREASES.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States exceeding 1.0, the Secretary shall establish a maximum percentage increase in such proportions for all subsection (b) States for the fiscal year in a manner so that such sum equals 1.0.

''(ii) ALLOCATION OF SURPLUS THROUGH PRO RATA INCREASE.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States being less than 1.0, the proportions of such allotments (as computed before the application of floors under clauses (i), (ii), and (iii) of subparagraph (A)) for all subsection (b) States shall be increased in a pro rata manner (but not to exceed the ceiling established under subparagraph (A)(iv)) so that (after the application of such floors and ceiling) such sum equals 1.0.

''(C) CONSTRUCTION.—This paragraph shall not be construed as applying to (or taking into account) amounts of allotments redistributed under subsection (f).

''(D) DEFINITIONS.—In this paragraph:

''(i) PROPORTION OF ALLOTMENT.—The term 'proportion' means, with respect to the allotment of a subsection (b) State for a fiscal year, the amount of the allotment of such State under this subsection for the fiscal year divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

''(ii) SUBSECTION (b) STATE.—The term 'subsection (b) State' means one of the 50 States or the District of Columbia.'';

(3) in paragraph (2)(B), by striking ''the fiscal year'' and inserting ''the calendar year in which such fiscal year begins''; and

(4) in paragraph (3)(B), by striking ''the fiscal year involved'' and inserting ''the calendar year in which such fiscal year begins''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to allotments determined under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) for fiscal year 2000 and each fiscal year thereafter.

SEC. 702. INCREASED ALLOTMENTS FOR TERRITORIES UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

Section 2104(c)(4)(B) (42 U.S.C. 1397dd(c)(4)(B)) is amended by inserting '', $34,200,000 for each of fiscal years 2000 and 2001, $25,200,000 for each of fiscal years 2002 through 2004, $32,400,000 for each of fiscal years 2005 and 2006, and $40,000,000 for fiscal year 2007'' before the period.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3075, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 2 years ago Congress embarked on a monumental task to strengthen Medicare for the 39 million Americans that depend on the program every day for their health care needs. We made the tough decisions because it was the right thing to do, and we did it on a bipartisan basis, in conjunction with the administration.

Today, as a result of those decisions, America's elderly and disabled have more health care choices than ever before. We increased preventative benefits to detect and treat conditions early, which means less time in a hospital or nursing facility and more time at home; we passed 65 new steps to crack down on fraud and abuse that rob seniors of vital care; and on a bipartisan basis, we set Medicare on the right financial footing, extending the life of the program for future beneficiaries.

□ 1045

In fact, earlier this year, the Medicare trustees reported that the Medicare program is now solvent until the year 2015. With any legislation of this size, however, adjustments are always necessary and even with the technocratic jargon of new prospective payment systems, DSH adjustments and RUG fixes, we have not lost sight of those that we help, our Nation's elderly and disabled.

Under our proposal today, families will not have to drive to the next county to visit the emergency room. Seniors will have the flexibility to enroll in new plans to get the comprehensive benefits that they need and want, and that is what this bill is all about.

For over 30 years, Medicare has been there for millions of seniors, and as we enter the next millennium the Medicare program will be stronger than ever, thanks to our bipartisan efforts.

Two years ago, the President joined us in enacting this landmark legislation, and I now ask him to join us in again building upon our historic success by implementing those provisions that Congress intended for the administration when it first passed the Balanced Budget Act.

Congress and the White House must work together for the good of seniors and the disabled who depend on Medicare.

I commend the Subcommittee on Health, the gentleman from California (Mr. THOMAS), the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY) and members of both the Committee on Ways and Means and the Committee on Commerce for their tireless efforts to ensure that quality medical treatment is there when seniors need it.

I urge my colleagues to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friend the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, spoke a great deal about bipartisanship in 1997 and the need for the Congress and the White House to work together.

I agree with him, but can we not start with Republicans and Democrats in the House working together? That would be a good beginning. It is almost insulting to take a bill of this importance and then put it on the suspension calendar. This bipartisanship does not start with the Republican leaders and the President of the United States. If it is going to work, it should start right here, with Members of this House having mutual respect for each other, with important bills going through committee, with Members being given the opportunity to amend them, and if the amendment is not worth the majority of the votes then the amendment is defeated. That is how democracy works. That is how this is supposed to work.

This suspension calendar is supposed to be for noncontroversial legislation. It is supposed to be that we already agreed on something; that there is no need for amendments, no need for debate.

We are restricted to 20 minutes on each side, but what we are talking about is our teaching hospitals. We are talking about making a mistake in 1997 and trying to remedy it by bringing it to the floor so that we could remedy it. No one can deny that lowering the price for prescription drugs for seniors is a very, very important thing. We tried to do this in our committee and we were unable to do it, and this would be the perfect time to find out what the people, Republican and Democrat, liberals and conservatives, would want to do.

We are not being given that opportunity, and the gentleman is talking about bipartisan and working with the President of the United States when he is not even working with his Democratic colleagues because we are in the minority.

Indeed, the rule that we had in the Committee on Ways and Means was a gag rule to make certain that none of our amendments would ever get an opportunity to pass.

I do hope that somewhere along the line, before we adjourn, that we start allowing each other to set the standard for bipartisanship, that we start talking with each other and we do not find just a hand of Republicans, because they have the leadership going in the back room and deciding what is good for the whole House and because they have the votes, putting it on the suspension calendar where Members cannot work their will, and then when it is all over and they find out that they have a train wreck on their hands they are going to ask the President of the United States to work with them. They did not ask the President to work with them when they went into the Social Security trust funds. They did not ask the President to work with them when they came up with a $792 billion tax cut, but when they work themselves into a corner and they cannot get out of the box, then they have to call for bipartisanship.

Bipartisanship starts now and it starts today, and it should not be put in a bill like this on the suspension calendar.

Mr. Speaker, I ask unanimous consent that the balance of my time be divided equally between the gentleman from California (Mr. STARK) for the Committee on Ways and Means, and the gentleman from Ohio (Mr. Brown) for the Committee on Commerce.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce.

(Mr. BLILEY asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. BLILEY. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me this time.

Mr. Speaker, I rise today in support of H.R. 3075, the Medicare, Medicaid and S-CHIP Balanced Budget Refinement Act of 1999.

Two years ago, we made some very important changes to the Medicare and Medicaid programs when we passed the Balanced Budget Act. The Medicare program was facing bankruptcy. The changes we made are keeping this vital program for our Nation's seniors alive.

In addition, we created the State Children's Health Insurance Program, otherwise known as S-CHIP, to provide health coverage for millions of low-income, uninsured American children. It was historic legislation and I am very proud of it.

Today we are considering a bill that will refine some of the policies put into effect by BBA. In the two years since we passed the BBA, we have heard that some of the changes we made went a little too far and some health providers have felt some hardship. Today we are going back to make a few corrections.

Under our bill, the seniors will receive the health care they deserve. We

put needed dollars into the system to ensure patient access and care to hospitals, skilled nursing facilities and other care.

I want to highlight some of the more important pieces of this bill.

First, we provide additional funding for hospital outpatient departments. This includes more funds for small rural hospitals and for patients who receive cancer treatments, those most in need of assistance. We cannot allow these hospitals to close their doors.

Additionally, this bill provides an additional $3.5 billion for the Medicare+Choice program. This vital program gives seniors the opportunity to choose a private health plan rather than the traditional Medicare program.

I am also proud to have strengthened this bill by adding $200 million to pay for immunosuppressive drugs. Medicare currently only covers these drugs for 36 months. This bill takes a first step at addressing that issue and allows us to provide for coverage for needy organ transplant patients. Access to these drugs can literally make the difference between life and death.

We also help our Nation's community health centers and rural health clinics by ensuring they receive the funding they need to provide care to millions of low income and uninsured Americans. Our bill authorizes States to create new payment systems for community health centers and rural clinics.

Finally, our bill puts more funds into the S-CHIP program. We created the S-CHIP program in 1997 to provide health insurance to our Nation's children, and it has been an enormous success.

Mr. Speaker, I am proud of the work the committee has put into this product. It is a good bill and deserves the support of all of our colleagues.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR BILL: I am writing regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. As you know, the Committee on Commerce is an additional committee of jurisdiction for the bill, and I understand that the version of that bill will be considered under the suspension calendar will contain a number of Medicaid provisions which fall within my Committee's exclusive jurisdiction.

However, in light of your willingness to work with me on those provisions within the Commerce Committee's jurisdiction, I will not exercise the Committee on Commerce's right to act on the legislation. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 3075. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or similar legislation. I ask that you support our request in this regard.

I ask that you include a copy of this letter and your response in the RECORD during consideration of the bill on the House floor. Thank you for your consideration and assistance. I remain,

Sincerely,

TOM BLILEY, *Chairman.*

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, there will not be half a dozen votes against this pathetic piece of legislation. I sat on the Medicare Commission for a year and in the committee for 10 months, and we never had a proposal for a bipartisan overhaul, which everybody knows we should do. We did not even consider the President's proposal to extend from 65 down to 55, at no cost to the government, health insurance for people in the workforce. Now, if one wants to have access, that is the best way to get it.

We had nothing in here to talk about whether or not we were going to extend the life of Medicare. The President offered 15 percent of the surplus and said let us extend the life. We never had a discussion about that in the committee.

Finally, and worst of all, there is not one single thing done for senior citizens on their prescription drugs.

Now, everybody sitting on this floor is going to go home to their district and they are going to explain to their constituents why it is they have a drug benefit. We all have one through our health plan, that if we have a prescription we pay $12. I pay $12. Everybody pays $12 in this body. But my mother and my aunts and my uncles and all my constituents and the constituents of all of us pay retail. Now that is a disgrace.

This piece of legislation is worthless, but we have no choice. They gave us no choice.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of H.R. 3075, but I rise with a great deal of disappointment that this bill falls far, far short of what this House should do. Today we are not considering prescription drug coverage when 75 percent of our elderly have inadequate or nonexistent prescription drug coverage. We are not modernizing Medicare. We are not repealing therapy caps, caps which have harmed thousands of our elderly.

Too many seniors are spending into poverty to pay for prescription drugs. Yet, all the majority is doing is tinkering at the edges of the Medicare payment system. When is this Congress going to get serious about modernizing Medicare? When is this Congress going to take action based on the best interests of Medicare enrollees? When is this Congress going to get serious about the Patients' Bill of Rights? And when is this Congress going to provide prescription drugs for this Nation's elderly?

If Republicans remain in the majority, Mr. Speaker, the answer unfortunately is do not hold your breath.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentleman from Florida (Mr. BILIRAKIS), chairman of the Subcommittee on Health of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, in early 1997, a Medicare trustees' annual report confirmed that the Medicare hospital insurance trust fund would exhaust its resources faster than previously anticipated. The part B trust fund was in similar straits.

Its board of trustees issued its own report warning that prompt, effective and decisive action is necessary. And so the Congress addressed this problem with BBA 1997, as we so fondly refer to it.

BBA 1997 was the Balanced Budget Act of 1997. It saved Medicare. It did something that the prior Congresses had not done. It saved Medicare for an additional 14 years until the year 2015.

It represented the most comprehensive Medicare reform since the program's establishment in 1965. It made many changes, expanding Medicare's coverage of preventive benefits. It hadn't been done before. Providing additional choices for seniors through the Medicare+ program; implementing new programs to combat fraud, waste and abuse; and establishing new initiatives and modernizing and strengthen the Medicare speed for service payment system.

□ 1100

But it also established new payment provisions, bold steps to control Medicare spending by changing the financial incentives inherent in payment methods that, prior to the BBA, did not reward providers for delivering care efficiently.

Unfortunately, as quite often happens, there are unintended consequences; and, consequently, a lot of the reimbursements we have determined now have not been adequate. So we tried to address this with the BBA fixes.

I would say to this Congress through the Speaker that, as far as the Committee on Commerce was concerned, I cannot speak for the Committee on Ways and Means, although I am sure the same thing happened there, as far as the Committee on Commerce is concerned, the majority staff and the minority staffs worked many, many hours over many, many days, sitting with HCFA, I might add, trying to work things out. Things seem to have been going along really well. Many of the ideas that the minority had are incorporated in this particular BBA 1997 fix.

I ask for support for this legislation.

Mr. STARK. Mr. Speaker, I yield myself 30 seconds. I do so just to challenge my Republican colleagues who are afraid today that they would have to vote on a drug benefit, but to remind the public that the gentleman form Pennsylvania (Mr. ENGLISH), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Arizona (Mr. HAYWORTH), and the gentleman from Florida (Mr. SHAW), who are all sitting here voted to deny seniors in

their districts a discount on prescription drugs at no cost to the Federal Government.

I hope that they will explain to the seniors whose benefits are being reduced why they did that and why they are afraid to see it come up today and vote for it or against it in an up forward manner.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. DINGELL), ranking member of the Committee on Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. DINGELL. Mr. Speaker, what are we doing here in such haste and why? There has been no consultation, no attention to the regular and orderly process. Most Members have not got the vaguest idea what we are doing here.

This is a subject which would enable us to function in an intelligent fashion, using the ordinary processes of the House to discuss, to have an opportunity to come to agreement, and to do something which can and should be bipartisan in a bipartisan fashion.

The bill, on the other hand, is rushed to the floor without any particular attention, without any consultation, not addressing the problems, and, interestingly enough, if we look at it, we find that the bill is not paid for, probably is going to jeopardize Medicare and Social Security and their trust funds, and it is going to ignore the opportunity to do many things which we could have done.

It is not going to pay for most of the benefits, although most Members here are probably going to vote for it, including myself, understanding full well that we have not done the job that we should, not knowing what should be done, having disregarded the regular and orderly process of the House.

More importantly, we are going to proceed to move forward, ignoring the opportunity to craft a bill of which we could all, first of all, know what we are doing, and, second of all, a bill in which we could genuinely be proud.

We also have an opportunity here to craft a piece of legislation which is not going to hold in it a large number of surprises and perhaps even poison pills. The result of what we are doing today is bad process and is going to probably result in imperfect legislation. It holds within its bounds sure surprises and very little opportunity to address really important problems like the balanced budget and protecting and preserving Medicare and Social Security.

Mr. Speaker, I am pleased to see that the Republican leadership is finally getting down to the business of rectifying some of the consequences of the Balanced Budget Act. Like many others here, I am very concerned about its effects on beneficiaries and providers.

Regrettably, I am also concerned today by the process. We are voting on a bill that can be and should be bipartisan . . . that is the product of partisan efforts. This is a matter of great importance to the 38 million Americans covered by Medicare, yet we have had less than one day to examine this bill. This is a matter that can and should be the subject of more careful and thoughtful but still expeditious process.

Our Republican friends made a great deal about the need to protect the Social Security surplus, but the bill they are offering is not paid for. Preliminary estimates show this bill to cost almost $12 billion—unpaid for, the bill will shorten the life of the Medicare Trust Fund and increase premiums to seniors. Apparently, fiscal responsibility only suits the Republican party when it is convenient.

I am also concerned that we have not done enough. The relief for Medicare patients who need physical therapy is inadequate. The relief for Medicare patients in rural or cancer hospitals is not adequate. And, from what I understand, the Hospital Outpatient policy may be unworkable.

A number of Democrats sent a letter to the Speaker yesterday, concerned that we have not done enough to provide relief, asking for the opportunity to offer a paid-for amendment to this bill. Our request was denied.

This bill leaves out what is perhaps the most important relief that Congress could offer to Medicare beneficiaries—relief from the high cost of prescription drugs. Seniors should not have to choose between food and needed medicines. Yet, the Speaker would not let us even offer our amendment that would have made prescription drugs more affordable for seniors.

This bill provides much needed relief for the Community Health Centers which are critical to providing care to underserved areas. But I am dismayed to see that the bill could not find the money to address the needs of low-income women with breast cancer. But the Republican bill is able to provide more than one billion dollars to HMOs—the same HMOs that HCFA, the IG, and the GAO have noted are already being overpaid.

Mr. Speaker, I have a great number of concerns about this bill. Not only with what is in it, but what is not. I am also concerned about the process and the fact this bill is not paid for. The bill is a small step in the direction of ensuring that seniors continue to have access to the same high quality care in Medicare that they have come to depend on, but there are clearly areas that need more help.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 4, 1999.

Hon. DENNIS HASTERT,
Speaker of the U.S. House of Representatives, The Capitol, Washington, DC.

DEAR MR. SPEAKER: We are writing to ask that you not bring the Medicare Balanced Budget Act legislation (HR 3075 as amended in negotiations with Commerce Committee Republicans) to the floor under suspension of the rules, but instead provide a rule permitting Democratic amendments and a motion to recommit. Because Democrats were not included in the negotiations between the Ways and Means and Commerce Committee Republican members, it is particularly important that we be offered the opportunity for floor amendments.

While the Republican bills that have been introduced provide a great deal of needed relief, we believe that—

(1) some additional relief to providers,

(2) some beneficiary improvements (in particular help with the high cost of pharmaceuticals), and

(3) some alternative policies are desperately needed.

The amendments we propose would provide an additional $2.4 billion in paid-for relief, with some going to beneficiaries in lower pharmaceutical prices and other program improvements. Our amendments would also eliminate several policies in the Republican bill which the Administration has identified as unworkable or which would hurt Medicare beneficiaries.

As fiscally responsible Democrats, we are concerned that the Republican bill is not paid for, and we urge you to find a way to pay for it, rather than further spending Social Security surpluses. For example, because it is not currently paid for, the Ways and Means bill (HR 3075) shortens the solvency of the Medicare Part A Trust Fund by at least a year, and increases Part B premiums for seniors.

Therefore, to avoid this problem, we pay for the additional relief offered by our amendments. Thus we do not hurt Medicare's solvency. The $2.4 billion in relief over five years is paid for by $2.4 billion in Medicare savings from the President's budget proposal of last January. These savings come from Medicare anti-fraud, waste, and abuse proposals.

PROVIDING NEEDED ADDITIONAL RELIEF

The $2.4 billion provides important, much needed additional relief to: beneficiaries to meet the cost of fighting cancer and the high costs of pharmaceutical insurance,[1] teaching hospitals, safety net hospitals, which have the lowest overall operating margins, rural hospitals, which have the lowest Medicare margins, skilled nursing homes, home health agencies which are serving the sickest patients, a more rational rehabilitation cap program that will help our most severely disabled stroke patients and amputees, help for hospice agencies facing sky-rocketing pharmaceutical costs for end-of-life painkillers, and the Medicaid and Children's Health Insurance Program, to help the providers serving the low income and to help Puerto Rico and the Possessions with more adequate payment rates.

This additional relief will further ensure that Medicare beneficiaries are buffered from the cuts in the 1997 BBA and will allow Medicare beneficiaries to continue to receive high quality care.

The attached memo describes these amendments in more detail.

HELP SENIORS WITH THE HIGH COST OF PHARMACEUTICALS

We believe we need to help all Medicare beneficiaries with a prescription drug insurance benefit, but that is a larger issue that cannot be addressed in this limited BBA corrections legislation. We hope, Mr. Speaker, that you will make this a priority issue for the Second Session of this Congress.

In the meantime, we do believe that this bill gives us the one opportunity this year to help seniors with the exorbitant cost of prescription drugs. We propose an amendment which was offered in the Ways and Means Committee by Rep. Karen Thurman (and supported by all the Democratic members of the Committee) that makes the Allen-Turner-Waxman-Berry pharmaceutical discount bill (HR 664) germane to Medicare. Basically, the amendment says that if a drug manufacturer wants to sell pharmaceuticals to a hospital participating in Medicare, it must also

[1] We assume that the bill the Majority brings to the floor will include an expansion of Medicare's coverage of immuno-suppressive drugs, so that transplant patients do not suffer organ rejection. If this provision is not included, we ask permission to include it and pay for it with additional antifraud and abuse provisions.

make available to pharmacies for sale to seniors drugs at the best available price for which they offer that drug. By some estimates, this type of program could lower drug costs to seniors by as much as 40%.

If we can't pass a major Medicare drug reform bill this fall, we can at least give seniors a chance for the discounts available to large buyers.

PREVENTING BAD POLICIES

If the Majority bill includes certain provisions, we ask that the rule governing debate permits us to strike those anti-beneficiary and anti-consumer provisions:

Specifically, we are concerned that the Administration has warned that the hospital out-patient department (HOPD) provisions of the Ways and Means bill are so complicated that they will delay the start of HOPD Prospective Payment (PPS) by at least a year. Such a delay in the PPS will cost beneficiaries about $1.4 billion, with patients' share of total HOPD payments running about 50%. We would move to strike the House HOPD provisions in favor of the Senate's more administrable proposals, but keep the amount of relief to hospitals and patients at the House level.

Second, if the Majority bill includes the Commerce Republicans' provision giving ''deemed status'' to HMOs, we would strike that provision. An overwhelming number of House members have just voted in favor of higher quality in managed care plans. Therefore, we find it incredible that the majority may be proposing an amendment to the BBA which would weaken our ability to ensure quality by turning over approval of these plans to participate in Medicare to private groups which are often dominated by the very industry they are supposed to be regulating. If such ''deemed status'' language is included, we will seek to strike it in order to protect beneficiaries.

Third, as mentioned above, we propose to strike the unworkable $1500 limit on rehabilitation caps for 2 years while the Secretary develops a rational therapy payment plan. This is the same approach as taken by the Senate Finance Committee.

In conclusion, our beneficiaries and providers need the improvements made by the Democratic amendment. We urge you to make it in order. Thank you for your consideration.

Sincerely,

Charles B. Rangel and others.

Issue Area	In addition to HR 3075, a $2.4 billion paid-for package [dollars expressed as additions to costs in HR 3075]
Hospitals	Freeze indirect medical education cut for 1 year more than HR 3075 ($0.2).
	Freeze disproportionate share hospital cuts for 1 year more than HR 3075 ($0).
	Carve out DSH payments from payments to M+C plans. Moves about $1 billion per year to the nation's safety net hospitals; is not in HR 3075 ($0).
Rural Hospitals	Tanner Amendment to protect rural and cancer hospitals against outpatient department PPS cuts (HR 3075 phases in cuts to these hospitals, still leaving huge payment reductions) ($0.2).
$1,500 Therapy Caps	Strike HR 3075 limits by suspending caps for 2 years while a new, more rational system is developed (net $0).
Community Health Centers & Rural CHCs.	Establish a PPS system which protects CHCs against State Medicaid cuts ($0.2).
Nursing Homes	Raise HR 3075's payment to high acuity cases from 10% to 30% ($0.1).
	Raise HR 3075's nursing home inflation adjustment from 0.8% in FY01 to 1% ($0.1) and authorize extra payments for his cost of living in Hawaii and Alaska.
Physicians	Study of why payment rates in certain States and Puerto Rico are low.
Home Health	Provide $250 million ''outlier'' pool for home health agencies that treat tough cases ($0.3) HR 1917, by Rep. Jim McGovern and 102 cosponsors.
Hospice	Eliminate 1% cut in FY 01 and 02 ($0.2)
Medicaid	Help for Medicaid DSH formula errors in NM, DC, MN, and WY ($0.2).
	Premanent fix for CA Medicaid DSH problem $0.
	Help families not lose Medicaid coverage as a result of delinking of welfare and Medicaid eligibility ($0.2).
CHIPs	Increase CHIPs amount for Possessions and provide technical fix to CHIPs formula ($0.1).
Beneficiary Improvements.	Immuno-suppressive drugs, cover without a time limit ($0.3).
	Allow States to require M+C plans to cover certain benefits (like MA used to do with Rx) ($0).
	Allow people abandoned by M+C plans to buy a medi-gap policy which covers Rx ($0).
	Coverage of cancer treatment for low-income women ($0.3) HR 1070, by Rep. Eshoo and Lazio and 271 cusponsors.
Pay-fors	3 Medicare items from President's budget: mental health partial hospitalization reform, Medicare Secondary Payer data match, and pay for outpatient drugs at 83% of average wholesale price. ($4.4).

Mr. THOMAS. Mr. Speaker, we appreciate the support of the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Subcommittee on Health who, without all of her hours of work, this bill would not have been possible.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I, as many others in this body, have spent hours and hours sitting in the nursing homes, the hospitals, the home health agencies of my district, studying the problems that Medicare has caused them. The goal of this bill is to save those community-based providers in the small towns of America, in the small cities.

Frankly, I think it is utterly irresponsible for my colleagues on the other side of the aisle to try to focus on an expansion of Medicare benefits, which we believe needs to be done, before we have saved the system.

This bill is about fixing Medicare. We fixed it in 1997. We slowed an 11 percent rate of growth in Medicare to 5.5 percent. Unfortunately, because our estimates were off, and the administration has chosen to implement that bill in a harsh fashion, we must come back today and add money back in.

I am very proud, and I commend the gentleman from California (Mr. THOMAS) and the staff for the detailed way they have added money back in at critical points and provided much greater flexibility so our institutions can evolve to offer the quality care our seniors need throughout America, through this legislation.

I am proud because it retains our commitment to slowing the rate of growth in Medicare so it will be sustainable. But it puts the money back in that our community providers desperately need.

I am very proud of the detailed way in which it addresses the problems in the nursing homes and in the home health agencies and the hospitals, not just so that people will be there to give the care, but so that the medically complex patient, the person whose costs are very high, whose medical problems are very complex will get the care they need.

I regret to say the administration provided no detailed proposals, and the Democrats on the committee provided no detailed proposals until the day of the mark-up. Only the chairman has provided a comprehensive approach. So while there are other processes that would be fruitful, the product we have before us is outstanding. I urge my colleagues to support it.

I want to thank Chairman THOMAS and the Health Subcommittee staff for their hard work on bringing this legislation to the floor.

My work on this issue started back in January when I visited all the hospitals in my district and several nursing homes and home health agencies.

The resounding message from those who provide the life-saving health services throughout my district was that the Balanced Budget Act had reached way beyond congressional intent and was threatening the very existence of our efficient, high quality community health care providers.

Most importantly, this legislation will help ensure that critically ill patients get access to Medicare services and that our health care providers will continue to be able to serve the communities that support them.

This legislation today is in direct response to the concerns I heard from community-based nursing homes in my district that are having a hard time caring for medically complex patients and managing the increased administrative costs of the new prospective payment system. I spent long hours talking with Patricia Walden and Carol Barno at the Southington Care Center, Sister Deborah and Sister Honorata at Monsignor Bojnowski Manor, and John Horstman at Geer Nursing and Rehabilitation Center.

This legislation also responds to the concerns that I hear from teaching hospitals in my district, Larry Tanner at New Britain General Hospital, Dr. Peter Dekkers at the University of Connecticut Health Center and David D'Eramo at St. Francis Hospital. It is also in response to small community providers, Rosanne Griswold at Charlotte Hungerford Hospital, Tom Kennedy at Bristol Hospital and Michael Gallacher at Sharon Hospital.

Finally, this legislation addresses the concerns of the 6th district's caring, efficient home health providers, like Ellen Rothberg at VNA Health Care, MaryJane Corn at the VNA of Central Connecticut and Anne Dolson at the Greater Bristol VNA. These providers helped me understand the enormous complexity of the interim payment system and the difficulty they were having in providing services to the sickest seniors.

In 1997 Congress adopted the most significant reforms to Medicare since the program began. The reforms were absolutely necessary because the program was galloping toward bankruptcy. Already in 1997, it was paying out more for services than it collected in payroll taxes and premiums. Medicare spending was exploding, especially in the areas of home health and skilled nursing facility costs, and as it reached the unsustainable level of 11% growth per year, the BBA reforms were adopted to cut this growth rate in half—from 11% to 5.5%; a modest and responsible goal.

Today's legislation is essential because the impact of the BBA—both legislative and because of the way the Administration has chose

to implement it—is much more significant than Congress intended. The BBA was projected to save $106 billion over 5 years. The real savings that will be achieved are about $100 billion above that. While the goal was to slow the rate of growth to 5.5%, growth has dropped to less than 2% per year, though the number of seniors and of frail elderly continues to grow.

Mr. Speaker, this bill makes the critical adjustments necessary to assure the ability of our community hospitals, home health care agencies, and nursing homes to provide the high quality care Medicare is required to provide to our senior citizens. Equally important, this bill assures the care needed by critically ill seniors with complex, high-cost medical problems.

I urge support of this important legislation.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Connecticut (Mrs. JOHNSON) did not respond to the question of why she voted to deny seniors a medical drug benefit, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, 2 years ago, the Medicare Trust Fund was projected to become insolvent by year 2001. To address this problem, as we were told, Congress passed the Balanced Budget Act of 1997.

In March of this year, it was estimated that the Medicare Trust Fund would be solvent until year 2015. This dramatic improvement is largely due to changes in reimbursements paid to health care providers made by the BBA.

While the BBA can be credited with increasing the solvency of the trust fund, providers have expressed concern that the cuts had hurt that ability to care for patients. We have all heard about stroke victims unable to get rehabilitation services they need. We have all heard about hospitals unable to find nursing homes to care for ventilator patients. Some of the most vulnerable patients in the Medicare program have been the hardest hit by these changes.

The legislation before us today takes important steps to address these problems. It provides more money for therapy services. It increases reimbursement to nursing homes who care for medically complex patients. It also includes funds for hospitals, home health agencies, and Medicare health maintenance organizations. These changes help ensure that the Medicare program will continue to meet the commitment and provide quality care to our Nation's seniors.

The Medicare Refinements Act before us today maintains the delicate balance between the fiscal concerns of the providers and the long-term stability of the Medicare program for generations to come.

Mr. Speaker, I urge all my colleagues to support this necessary legislation.

Mr. BROWN of Ohio. Mr. Speaker, may I inquire how much time remains for each of us.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Ohio (Mr. BROWN) has 5½ minutes remaining. The gentleman from California (Mr. STARK) has 4½ minutes remaining. The gentleman from California (Mr. THOMAS) has 10 minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. BALDACCI).

(Mr. BALDACCI asked and was given permission to revise and extend his remarks.)

Mr. BALDACCI. Mr. Speaker, I thank the gentleman from Ohio for this courtesy. I rise in support of the legislation as a beginning to build on down the road for future changes.

Mr. Speaker, I support this very important legislation which will correct some of the unintended consequences of the Balanced Budget Act of 1997 cuts on Medicare reimbursements. Along with the assurances from the President that further alterations can be made administratively, I hope that health care providers, particular those in rural areas such as my own, will be afforded relief so that services to seniors will not be diminished. With the implementation of BBA Medicare cuts, Maine hospitals alone will lose $338 million over 5 years. This legislation provides us with the first step towards restoring some of these deep cuts.

Implementation of the BBA and a slowing in the growth in spending by Medicare has ensured that the solvency of the Medicare Trust Fund is extended another seven years, until 2015. In fact, there was no growth in spending in the Medicare program for the first quarter of this year. This is good news and provides us with the flexibility to improve some of the harmful provisions which threaten care to seniors.

Rural areas, in particular, have suffered under the BBA. As a member of the Rural Health Care Coalition, I was very pleased to see portions of the Triple A bill, H.R. 1344, included in H.R. 3075. I thank Chairman THOMAS for his attention to the special needs of rural areas. A good portion of this bill is dedicated to allowing for more flexibility for rural health institutions. These facilities are the backbone of care in Maine, and their survival is of primary importance to me.

One area which has been of particular concern to me has been the very harmful effects of the BBA on the home health industry. In Maine, agencies are under significant financial stress. The burden of my home health agencies have been asked to bear is extreme, especially when considering that the losses are spread among only 40 providers in the state. On a nationwide scale, the Department of Health and Human Services recently released a study which shows that the very sickest of seniors are having difficulty accessing home health care. I am encouraged by the direction this legislation takes to address the most harmful BBA provisions regarding home health care.

Another rural concern is the future implementation of the outpatient Prospective Payment System. By HCFA's own admission in the May 7 published rule, rural hospitals will take the biggest hit in reimbursements from the outpatient PPS. The total reduction in the first year for all institutions will be $900 million, or a 5.7% average reduction per facility. The outlier adjustment is a good beginning to addressing this issue, though much more work must be done to ensure hospitals can meet the burdens of such cuts.

One final issue I would like to touch on is the reimbursement for hospitals training physicians, especially in rural areas, where there remain significant physician shortages. I am pleased to see that a portion of my GME technical corrections legislation, H.R. 1222, was included in the BBA Refinement Act. In particular, the adjustments allowed for upwards to 30% growth in resident limits and the inclusion of rural training tracks recognize the need for increased flexibility for rural areas to address physicians shortages are extremely positive steps. However, there exists a significant provision of H.R. 1222 which have been left out of this bill. Numerous hospitals have had their residency limits lowered because the BBA fails to count all of a programs' residents. For example, a resident who was on medical leave in 1996 or who was training in another facility cannot be counted because he or she was not physically ''in the hospital.'' Thus, many hospitals are facing an artificially low cap that does not reflect the true number of residents enrolled. This provision is contained in the Senate version of the BBA corrections bill, and I hope that conferees will adopt the entire language of the bill H.R. 1222 in the conference report.

Finally, I must voice my concern with one provision of H.R. 3075 which would alter the Direct GME payments. Unlike the other provisions of this bill, the alteration in determining the Direct GME payments to facilities does not correct a harmful BBA provision. It is unclear to me why this provision was included in H.R. 3075, and I am very wary of the shifting of resources that will result from some hospitals to others. I hope that conferees do not include this provision, as it does not have a place in this corrective legislation, there has been no opportunity to debate this new adjustment, nor is it clear how specific institutions will fare under the adjusted DGME payments.

Mr. Speaker, the corrections contained in H.R. 3075 are moderate, but essential to rural health care providers who serve the elderly. Through technical refinements we are beginning the process to ensure providers are reimbursed fairly for the services they furnish Medicare beneficiaries. I trust that we will continue to rework these reimbursement levels, through future Medicare reform legislation, in order to maintain the best and most efficient health care to our seniors.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, in 1997, we knew there was concern about the long-term financial health of Medicare, because we knew the baby boom generation would soon became eligible for the program. But what did we do? We slashed Medicare payments to providers of care far beyond what was sensible—not to use that money for Medicare, but in order to take it and use it for tax cuts. Now we are faced with the consequences of that action.

But today we are attempting to remedy some of the effects of that law by a process that is just as hasty and imperfect.

And so we do not know if we are really addressing the problems satisfactorily. What we do know is we did not do anything in this Congress nor in this bill to assure the viability of the

Medicare program as the President proposed to do. We are certainly not doing anything to address the needs of the seniors on Medicare to provide prescription drugs for them.

This is both unfair and irresponsible. We are not dealing with some small program that has limited impact. What we do will affect millions of Medicare beneficiaries and virtually all health providers in this country-teaching hospitals, home health providers, rural and inner city institutions—all of them are affected.

Of course I will vote for this bill because it is the only choice before us, and because we clearly need to remedy some of the most severe problems caused by the Balanced Budget Act of 1997.

But this process is wrong.

The Republican majority has denied us the opportunity to provide help for Medicare beneficiaries to secure more affordable drugs. We could and should be voting today to stop the discrimination our seniors face when they are charged prices frequently more than a hundred percent greater than HMOs or favored buyers secure.

My Government Reform staff has conducted more than 140 surveys in Members' districts throughout the country, and we have found this price discrimination against seniors over and over again. They pay more than our neighbors in Canada, they pay more than the Federal government, they pay more than HMOs—and they pay much more than they can afford.

We need to add a prescription drug benefit to Medicare for all beneficiaries. But until we do, we at least have to stop the price discrimination against seniors. This bill should have provided the opportunity to do so.

Why is the majority blocking the effort to offer an amendment to do that and help seniors everywhere? I ask my Republican colleagues: what are they afraid of? Are they afraid to let Medicare beneficiaries know where they stand on drug company price discrimination against seniors?

Medicare beneficiaries and providers deserve better than the hasty and limited action we take today.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Florida (Mr. CANADY).

(Mr. CANADY of Florida asked and was given permission to revise and extend his remarks.)

Mr. CANADY of Florida. Mr. Speaker, I rise in strong support of this important legislation.

In addition to making adjustments in Medicare payment policies instituted by the Balanced Budget Act of 1997, this bill addresses two issues of particular concern to me and to the 12th District of Florida.

Since 1996 I have been working to draw attention to what I believe is an arbitrary provision in the Medicare statute that provides for beneficiaries with organ transplants to receive immunosuppressive drugs for only 36 months. The policy—which was originally brought to may attention by a constituent—is amazingly short-sighted since organ recipients need these prohibitively expensive but essential anti-rejection drugs for an unlimited period of time. If transplant patients do not have access to these drugs and maintain a proper dosage regimen, they will ultimately reject their organ and potentially lose their life. Ironically, Medicare policy does cover dialysis, re-transplantation, and the hospitalization and medical costs associated with organ rejection—each of which are more costly than the average cost of immunosuppressive drugs for one year. With the strong support and assistance of my colleague from Florida, KAREN THURMAN, and interested groups such as the National Kidney Foundation, I introduced the Immunosuppressive Drug coverage Extension Act earlier this year. Since its introduction, 263 of my colleagues from both sides of the aisle have cosponsored it. I am very grateful to see that the Medicare package before us today includes a provision that, while not identical to my legislation, is an effort to improve upon Medicare's current immunosupressive drug coverage policy. H.R. 3075 includes $200 million over the next five years to provide additional drug coverage to beneficiaries who have exhausted their original 36 months of coverage.

While I am convinced that extending beneficiary entitlement to the drugs without imposing a capped dollar amount is appropriate, I appreciate the committees' concerns that more definitive data and cost analysis is needed before taking a more permanent step. To the chairmen of the House health care committees and to the cosponsors of my bill and on behalf of thousands of organ recipients, I want to say thank you for recognizing the need to improve Medicare's existing policy in this area.

Secondly, since early 1998, I have been extremely concerned about the exodus of managed care plans from the Medicare program. In Polk County, in my district, all four operating managed care plans pulled up stakes effective in 1999, suddenly leaving approximately 6,000 beneficiaries without their managed care plan. Ninety-three other counties in the U.S. were also left with no plans. Insurers pointed to low reimbursement rates and provisions of the Balanced Budget Act of 1997—the very law Congress intended to expand beneficiary choice—as the reason for numerous departures from counties around the country. While some counties enjoy extremely high payment rates and the presence of several managed care plans, others (like Polk) have a disproportionately low payment rate and no managed care plans. It doesn't take much examination to see that this is patently unfair. The Congress has an obligation to answer to the over 60,000 beneficiaries nationwide who, after 1998, were left with no managed care plans to choose from; to the approximately 350,000 others whose plan choices were reduced; and to the thousands of beneficiaries in over 2,000 counties who didn't even have a managed care choice in 1998 in the first place.

I am pleased to see several provisions included in the Medicare bill before us today that are aimed at the inequity I've described. The bill is a very positive development. The provisions to case burdensome requirements and deadlines imposed on managed care plans, and particularly the language to give incentives to plans to enter counties left with no managed care choices, promise greater equity for all Medicare beneficiaries.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means and someone who supplied a very important component to this bill.

Ms. DUNN. Mr. Speaker, as we continue to make major progress in reforming programs to make sure there is greater access in health care, we want to also make sure that nobody falls through the cracks.

So that is why I rise in enthusiastic support today for this bill to provide essential relief to seniors that are affected by unintended reductions in Medicare under the BBA.

I want to thank the gentleman from California (Chairman THOMAS) for his willingness to work with me on several provisions that are important for women's health and to the pace of medical innovation.

First, this bill doubles the reimbursement for Pap smears. This reimbursement rate has not been increased in over a decade. It really is essential to maintain access to one of the most important preventive measures for detecting cervical cancer.

Secondly, the bill extends Pap smear reimbursements to automated screening technologies. These are important innovations in health care that will make it possible to identify cervical cancer at an early stage and with greater accuracy.

Mr. Speaker, providing incentives to protect the health of women as they grow older is one of the most important public policy decisions we can make. This bill recognizes that fact and goes a long way toward making innovative new treatments available to women.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Washington (Ms. DUNN), the previous speaker, had joined with Messrs. ENGLISH, SHAW, and HAYWORTH in voting to deny seniors a free drug benefit reduction, I yield 1½ minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from California for yielding me this time.

Mr. Speaker, the purpose of this bill is to make certain adjustments to the 1997 Balanced Budget Act. I applaud the chairman of the subcommittee for bringing out a bill that deals with that.

We have projected Medicare savings in 1997 over 5 years of $115 billion. In reality, it is going to be closer to $200 billion. This bill contains some very important improvements in the Medicare system that will deal with the $1,500 therapy cap right now which is denying many of our seniors necessary rehabilitative care.

It will extend the municipal health demonstration project that affects thousands of seniors. It will provide help for frail elderly and those high acuity nursing home patients. It will help us deal with the Medicare Plus choice problems particularly in rural areas of getting more HMO participation.

But, Mr. Speaker, let me say that this is a very important bill that I hope

will pass overwhelmingly on the floor, but there is more that we need to do. As has been pointed out, we need Medicare reform, including prescription drug benefits. We need to deal with a stable funding source for graduate medical education in inflation. I know many people share that thought.

We need to take a look at high acuity patients, particularly from long-term care and the special needs of psychiatric hospitals.

I congratulate all those who are responsible for bringing forward this bill. Let us pass it, and then let us work on the other reforms that are necessary in order to provide the best possible care to our seniors.

Mr. Speaker, I rise in support of the important Medicare bill before us today. In taking the important step of refining many of the Balanced Budget Act's Medicare provisions, Congress is acknowledging what so many seniors and health care providers have known for a long time now: that the 105th Congress made several mistakes in crafting Medicare reforms back in 1997. Some of the changes we made restructured the risk contracting program, others were designed to reduce provider reimbursement levels in several areas. In both categories, the consequences have been far different from what we in this body intended or expected.

In 1997, the Congressional Budget Office estimated the Medicare reductions at $115 billion over five years. Since that time, we have seen evidence that the reductions are closer to $200 billion. The effect of this difference on the accessibility and quality of care for our seniors transcends budget numbers, however.

This bill, the Balanced Budget Refinement Act, makes important restorations in several key areas that will help our seniors secure the medical care they need. It adjusts payments for skilled nursing facilities so that the most frail nursing home patients can receive additional payments for the ancillary services they require; it helps alleviate the arbitrary caps placed on outpatient therapy services, which now prevent one of six patients from receiving the care they need; it extends the Municipal Health Services Project for one year, and it provides very important relief for seniors who rely on home health services. I am also very pleased that this bill extends coverage of immunosuppresive drugs for transplant patients who are now subject to a three-year limit for these life-saving therapies.

This bill also provides incentives for Medicare+Choice plans to participate in lower-cost areas. The Medicare+Choice program was designed to expand the private health plan options available to our seniors. But two years after BBA's passage, seniors' options have diminished rather than increased as many rural areas have lost their Medicare HMOs and even in higher cost urban areas, plans are reducing benefits and raising premium charges. In some states, there has never been a managed care option for seniors. Most health plans cite low payment rates as the reason for their lack of participation. This bill offers bonus payments to plans that are willing to enter markets where there is no Medicare HMO option today.

There are additional areas that still must be addressed. I support the creation of an all-payer graduate medical education trust fund that will save Medicare more than $1 billion annually, while providing a steady funding source for the training of our Nation's medical professionals. My proposal for BME replaces the current outdated payment structure for residents with a fair national standard based on actual resident wages. As the dire financial situation of academic medical centers worsens, I hope we can reorganize the need to stabilize their financial condition. We can act to shore up these institutions and ensure the continuation of the high-quality medical workforce we enjoy today.

I also support restoration of the cuts BBA made to hospice care, which is an essential part of our effort to provide comprehensive medical treatment to the Nation's elderly and disabled. I support providing adequate payments for all frail patients in nursing homes, including rehabilitation categories whose costs will continue to be inadequately reimbursed even after passage of this bill. And, I support the creation of a drug benefit for fee-for-service Medicare that provides all beneficiaries, not just those with access to an HMO, with coverage for outpatient prescription drugs. These are key issues that Congress will need to be addressed further next year.

Earlier this year, I urged Congress and the Administration to join in a united effort to address these matters. I am proud that Congress has taken this crucial step today and I also applaud the Administration for working with Congress and moving to take the administrative measures that are within its power. I urge my colleagues to support this bill and help us move forward to restore crucial health services to America's Medicare beneficiaries.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, let us remember specifically why we are here. We are here because we made mistakes, but we made mistakes with the Republican majority in terms of some of the draconian cuts that they were attempting.

We still do not deal with the fundamental issues. We do not deal with the fundamental issues that literally thousands of Americans are, in fact, being permanently damaged because they have reached therapy caps in terms of stroke victims who will remain paralyzed forever because of the inaction in this Congress that remains in this bill.

But let us talk about what we are not doing. What we are not doing is we are not facing any of the real fundamental issues facing health care in America. My colleagues in the majority are afraid of those issues.

There is a procedural game that is being played today, which is a suspension vote, which rejects the ability of the minority to do a motion to recommit that would probably overwhelmingly pass in this Chamber on prescription drug coverage for Medicare. My colleagues on the other side are afraid of that vote. They are afraid of giving the American people what they need and they deserve. They are afraid of fundamental change in the Medicare system. They are afraid of the Patients' Bill of Rights bill. They are afraid of putting the sponsor of that bill on the conference committee.

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Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. MCCRERY), a member of the Subcommittee on Health of the Committee on Ways and Means, again without whose tireless work this bill would not be possible.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me this time. A few moments ago our colleague, the gentleman from California (Mr. WAXMAN), was on the floor and said that the cuts in the BBA were irresponsible. Well, they certainly have gone further than most of us would have liked, but the fact is those cuts, that legislation, was a joint effort between Democrats and Republicans, the White House and the Congress, so we ought not be down here denigrating anybody for the good faith effort that was entered into to try to save the Medicare system.

We now know that some mistakes were made; that some of the cuts went too far. That is the purpose of this legislation on the floor today, and we have worked together again, Democrats and Republicans, to try to repair that damage in the most responsible way.

What is irresponsible, though, is to stand up and call for free drugs, free prescription drugs. Americans, senior Americans, know that drugs are not free. Prescription drugs are not free, and we ought not promise something that is impossible. We ought to be responsible about crafting a Medicare program that, yes, includes a prescription drug program but not to stand up here and say, let us vote for free prescription drugs. That is irresponsible.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. THURMAN), the author of the amendment, that would have given free or discounted prescription drugs, not free, free to the government, but a deduction or a reduction in the cost to the seniors.

I would note, Mr. Speaker, that the previous speaker, the gentleman from Louisiana (Mr. MCCRERY), also voted to deny the seniors in his district a discount on prescription drugs at no cost to the government.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate his remarks. I too want to reiterate that was a discount, not free, and it would have been just like we do with Medicaid and VA.

And I want to bring to the attention here today that just yesterday there was a report that was released that actually said that drugs have gone up 25 percent, which is two times the inflation. So many of these drugs have continued to rise for no apparent reason.

I do want to say, though, that I am pleased in some respects, would have liked to have done a little bit more, obviously, but I am somewhat happy with the IME, the DSH, we have done some

things in here for skilled nursing facilities, and I hope that we will concur with the Senate on the hospice issue.

I want to take a moment to thank all the members of the committee who listened to my plea and who have helped me with the anti-rejection drug issue that is in here. My colleagues will realize, once we get some of this other report back, once we start spending this money, that this will save lives. It was good common sense. It will save money to our Medicare system. And I also want to say we did the right thing when we did the composite rate on dialysis.

I do want to suggest, though, that I hope in this coming year that we can truly sit down on an issue that is so important, especially after the report that came out yesterday, that we really have got to do something on. Because the other issue that was brought out that was an advertisement by PhRMA which said, look at all of these wonderful drugs we are doing. They cannot afford them.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN), a fellow member of the Subcommittee on Health.

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

I am pleased to support H.R. 3075, the Medicare, Medicaid and State Childrens Health Insurance Program Refinement Act of 1999.

This bill takes an important first step towards ensuring that cancer patients have access to the best medical treatments available.

Under the BBA of 1997, the Health Care Financing Administration was directed to develop a hospital outpatient prospective payment system (PPS). Under their original proposal, reimbursements for cancer drugs would have been dangerously low—potentially denying Medicare patients access to the most effective treatments.

However, under H.R. 3075, our nation's seniors with cancer will be protected because our nations cancer hospital's, including MD Anderson in Houston, will be exempt from the PPS for two years.

This additional time will give the medical community and Members of Congress time to evaluate the plan based on actual practices in other hospitals across the country.

Moreover, because HCFA has recognized the flaws in their original proposal, they have committed to redevelop the PPS to better reflect the needs of Medicare patients everywhere. According to HCFA, they are preparing to substantially increase the number of payment categories for cancer drugs, which will better reflect the high cost of innovative treatments and new drug therapies.

This bill is better than nothing—but leaves a lot of issues neglected including senior citizen prescription medication needs and making medicine better serve the needs of todays and tomorrows senior citizens.

Today represents the way this process should work—Congress and the Administration working together to meet the needs of the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. THOMAS. Mr. Speaker, I yield 15 seconds to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, if this were only about fixing Medicare, it would be fine, but a provision that was entered into this bill wreaks havoc with teaching hospitals.

This proposal results in no savings but would shift millions of direct medical education dollars between hospitals, with no consideration as to the financial needs of a hospital or the type of patient they serve. As a result, $250 million in Medicare funds will be transferred from 400 teaching hospitals across the country to 600 others. This will actually cost $300 million extra.

Now, BBA relief legislation was supposed to restore Medicare cuts to hospitals, not initiate new cuts to hospitals. That is what it does to a major teaching hospital in my district, and that is what it does across the country. This affects Democrats, Republicans, people representing all different places across the country. This provision should not be in here.

I know my friend from California (Mr. THOMAS) put in the provision because it helps his district, but it should not be done this way. There should not be winners and losers here, and the payment should not be made at the national rate.

Mr. Speaker, I provide for the RECORD a letter addressed to the Chairman of the Subcommittee on Health of the Committee on Ways and Means from one of our colleagues, the gentleman from Georgia (Mr. KINGSTON) dated November 3, 1999, and signed by numerous other colleagues.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 3, 1999.

Hon. WILLIAM M. THOMAS,
Chairman, Ways and Means Subcommittee on Health, Washington, DC.

DEAR CHAIRMAN THOMAS: We are very concerned about two provisions in the House Balanced Budget Act (BBA) Relief package. We fervently request that these provisions be changed because of their serious, disproportionately harmful effects on smaller teaching hospitals.

Specifically, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would reduce reimbursements for hospitals in our districts by millions of dollars per year. It is ironic that a bill designed to provide relief to hospitals hurt more by BBA than projected would, in fact, inflict even deeper harm.

As you know, H.R. 3075 contains a provision that would change the Medicare per Resident Direct Medical Education payment from a hospital-specific rate to an amount based on a national average per resident. This provision penalizes smaller teaching hospital programs because the fixed costs of operating a fully accredited residency program is spread over a smaller number of residents. It rewards programs that train large numbers of residents, regardless of community need. We further question its need, as it is budget-neutral at the national level—it simply shifts funding from smaller programs to the larger programs.

Unfortunately, the second provision is even more harmful. The House bill, unlike the Senate, freezes the relief rate from BBA reductions in IME at six percent for one year, then decreases the rate to 5.5 percent. Proceeding further with this proposal will result in multi-million dollar penalties for hospitals across the country. We ask that the House bill be modified to raise the IME relief from 6.0 to 6.5 percent.

Furthermore, we strongly oppose retaining a provision for per resident averaging and ask that it be eliminated in the House bill before it is brought to the floor or via a manager's amendment during floor consideration.

Thank you very much for your serious consideration of these concerns. We must ensure that legislation intending to provide relief for hospitals does so fairly for all facilities and avoids inflicting additional harm.

Sincerely,

Jack Kingston, Nathan Deal, Mac Collins, Charles Norwood, Jim Talent, Sherwood Boehlert, David Vitter, Lee Terry, Jim DeMint, Sue Myrick, Jack Quinn, Todd Tiahart, Pete King, Judy Biggert, Billy Tauzin, Robert Ehrlich, Jr., Connie Morella

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I thank the gentlemen from New York and California, and I want to say this is a bipartisan problem.

We do thank the gentleman from California for trying to correct some of the problems with the BBA, but, on the other hand, it creates a new problem with the indirect medical education reimbursements and it changes the formula to base it on a national average per residence, which in some areas causes great losses of money.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means, who represents the district with the greatest number of seniors in the United States.

Mr. SHAW. Mr. Speaker, today I rise, as I think every Member of the House on both sides of the aisle does, in strong support of H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. This is a bill that is of critical importance to the citizens of my district, my State, and, indeed, all across the United States.

I would like to commend the chairman of the Subcommittee on Health, the gentleman from California (Mr. THOMAS), and the gentleman from Texas (Mr. ARCHER), chairman of the full Committee on Ways and Means, for expediting this effort to restore desperately needed funds to Medicare providers, who have been caring for Medicare patients day in and day out, often for Medicare payments that are not adequate to cover the cost of providing these services.

In my district, for example, the Sylvester Cancer Hospital is currently losing approximately $700,000 a year caring for Medicare cancer patients and

hospices which cares for the most vulnerable terminally ill Medicare patients are unable to provide newest medications to comfort these patients under the current Medicare reimbursement level.

I have been hearing from many, many concerned citizens—nursing homes, physical therapists, home health providers, physicians and hospitals regarding the importance of acting quickly to restore some of the 1997 BBA cuts that are already detrimentally impacting patient care. I thank my good friends the Health Subcommittee Chairman BILL THOMAS and Full Committee Chairman BILL ARCHER for moving this important Medicare rescue bill so quickly. I urge my colleagues to unanimously support H.R. 3075—it doesn't provide all the Medicare fixes that are needed—but begins to address the most urgent needs immediately.

Mr. Speaker, there are many things we have to do next year and work on, one is the question of drugs, and we will certainly look forward to working, hopefully in cooperation with the minority, in order to come up with a good bill to give our seniors further relief.

Mr. THOMAS. Mr. Speaker, I yield 1¼ minutes to the gentleman from Iowa (Mr. NUSSLE), a member of the Committee on Ways and Means and someone who has worked on this bill especially for rural hospitals.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding me this time.

I guess I should not be surprised that there are some who run to the floor today and try to make political issues for the next campaign. None of us should be surprised by that because it has been done so many times in the past. Whether it is prescription drugs, no, there is no debate today on that issue. There should be. Should it be on Medicare reform? You bet. HMO reform? We have had it, and we are going to have more debate. All of that debate needs to occur.

But while some want to preserve those issues for a campaign, my hospitals are ready to close. Because this is the most important issue in health care that we face this year. We cannot wait while Members cut 30-second spots for their campaigns and let my hospitals close. Because I tell my colleagues that if my hospital closes, my seniors, my neighbors and I do not have health care.

So while my colleagues on the other side want to fiddle around, those who have come down here to do just that, our hospitals across the country are in jeopardy of closing. So I would ask those individuals on the other side to stop the politics and let us pass this bill.

And I would end my debate by just suggesting that the rural health care portions of this bill are going so far in order to make us whole over the 1997 cuts, cuts that were not meant to have the kind of impact that they have had, and I commend the committee for doing the reform.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time, the chairman of the Subcommittee on Health, and I would echo the comments of my good friend, the gentleman from Iowa (Mr. NUSSLE), and simply say that for rural hospitals this refining piece of legislation is absolutely important.

I would agree with the portion of the statement of the gentlewoman from Florida that when it comes to immunosuppressive drugs for transplant patients, this legislation is vitally important. When it comes to teaching hospitals, this legislation is vitally important.

When it comes to accountability in the legislative branch, and let us be honest about the budget negotiations in 1997, many of these provisions were not advocated by either the majority or the minority here but at the other end of Pennsylvania Avenue. When we choose to correct, we are being responsive to our constituents.

I welcome constructive comments. We will save the politicking for a campaign. Today we do the people's business, restoring rural health care, restoring home health care, expanding immunosuppressive drugs and making a difference with a prescription for success for health care and the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1¾ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, this bill is inadequate. The Republicans have been standing on the floor for the last month holding up a penny saying, oh, people are not willing to cut a penny out of the entire Federal budget, although it would affect, ironically, many of the programs that they now are out on the floor saying they care so much about.

But in 1997 they led the effort to cut Medicare by what they said was going to be $110 billion. It has wound up now at $210 billion and, at the same time, they had a tax break out here on the floor for the wealthiest Americans for $275 billion over 10 years. Now that was a nice package in 1997. A tax break of $275 billion, that is the law for the wealthiest in America; cut Medicare by $200 billion, just over 5 years, and then come back in 2 years and say, look at the great surplus, look where it came from.

What do they say to the people on Medicare? We are going to give back a nickel out of that $200 billion cut in Medicare. To the hospitals, to the home health servers, to the communities across the country, to the people who are sick in our country, and old, they get back a nickel. And what do they do with the rest of the surplus? Oh, they have a new idea, an $800 billion tax break for the wealthiest in America over the next 10 years.

So who is funding this huge tax break idea, the money that goes back to the communities, actually to the wealthy under their plan? The people who are funding it are people who are in nursing homes. The people who are funding it are people who they cut viciously, this program. Hospitals and nursing homes are hemorrhaging and they want to put a Band-Aid on it today.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. RYAN).

(Mr. RYAN of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, this bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 in the Balanced Budget Act.

In the district I serve, several Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting in August of this year to bring together the health plans, HCFA and Medicare beneficiaries. The response was overwhelming.

Some of the beneficiaries decided they were not going to lose their managed care coverage without a fight. Joyce Scantling, of Racine, WI has been leading this fight and has worked tirelessly with 50 or 60 other beneficiaries to rally their support around Medicare legislation to fix the reimbursement rates. I hold in my hand thousands of signatures of Wisconsin seniors who have contacted me in support of providing a fix to Medicare and in support of protecting their choices under Medicare.

This bill restores funding for Medicare+Choice providers, as well as hospitals, home health care providers, and skilled nursing facilities. It protects the benefits of Medicare beneficiaries like Joyce Scantling into the future.

Mr. Speaker, I believe the current situation with Medicare in this country is unacceptable. Wisconsin and other rural states do not receive the same reimbursements as the rest of the country; as a result of this disparity, seniors in these areas are not entitled to the same services as seniors in places like Florida or Texas. Some of these areas do not even have a Medicare+Choice option because they cannot make it work with the low reimbursement rates that are offered in those areas. Seniors in my state should not be entitled to a lower level of service than seniors in other parts of the country.

My ultimate goal is to equalize reimbursement rates nationwide to ensure that all seniors, regardless of where they live, would be entitled to a choice in Medicare, a choice that would give them the services they are entitled to. However, in the meantime, I believe this legislation provides the next best alternative because it targets resources where they are needed, such as my home state of Wisconsin.

To this end, I applaud passage of this legislation because I believe it will bring Wisconsin closer to receiving fair and equitable reimbursements for medical services; this cause is not yet complete, however it is a step in the right direction. I will continue to fight to ensure

fair medical coverage for seniors in all parts of this country.

Mr. THOMAS. Mr. Speaker, I yield myself 1½ minutes.

Contrast the speech we just heard on the floor with the statement from the White House. Chris Jennings, who is the White House health person, said recently, ''We were partners with the Congress when we passed the Balanced Budget Act, and we are going to be partners when we address the rough edges of that law.''

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I have been pleased with Members on both sides of the aisle in terms of their understanding of just what this bill is. It is a refinement bill. It is not a reform bill. We still need to address prescription drugs. But Members need to remember that the 1997 act created the bipartisan Medicare Commission.

On that Commission, the public and the private members agreed, the Senate and the House Members agreed, Democrats and Republicans agreed. We had 10 votes. We needed 11. The President had four appointees. Not one of the President's appointees supported the reform package, which would have integrated prescription drugs into that program.

In the recent tax bill, there was a tax deduction for prescription drugs. The President vetoed that plan.

We stand ready to sit down tomorrow with the President and any Democrats who work in a positive way to deal with integrating prescription drugs into Medicare. It needs to be done. But this very narrow, very shallow canoe cannot support that kind of an issue today. It is a refinement bill.

I am very pleased with the comments of the Members who understand our objective today. This is a modest change. We will continue.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

(Mr. KENNEDY of Rhode Island asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, I oppose this bill because it shortens the solvency and the life of Medicare.

H.R. 3075 increases payments to Medicare providers by approximately $11.5 billion over five years. But it is a flawed and irresponsible bill.

It was brought up without the Democrats having any chance to negotiate with the Republicans.

We were not allowed any Democratic amendments, including a substitute, which we specifically requested.

There has been no consultation with Democrats—it is being brought up hastily.

It is being brought up under the suspension of the rules.

The Republican bill is not paid for. Because it is not paid for the bill shortens the solvency of the Medicare Part A trust fund by at least a year and increases Part B premiums for seniors. The Republican bill will shorten the life of the Medicare Trust Fund.

A democratic amendment if offered would have paid for the 2.7 billion that would have been offset.

The bill will reduce medicare payments to teaching hospitals. It will transfer $250 million in Medicare funds from 400 teaching hospitals. It will initiate new cuts against teaching hospitals.

It does not include language to help seniors with the high cost of drugs.

It does not have the Senate language to strike the $1,500 limit on rehabilitation caps and therapies. This is a provision that nursing homes need desperately.

It includes ''deemed status'' for HMO's; this provision will weaken our ability to insure quality in HMO's that participate in Medicare.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Rhode Island (Mr. KENNEDY) said it quite eloquently. This bill is not paid for. It spends Social Security surplus, shortens the life of the Medicare trust fund, and does not deal with, as the committee had an opportunity to deal with, providing a discount, a discount of 25 to 50 percent off prescription drugs.

I would remind people in the Florida area that the gentleman from Florida (Mr. SHAW) voted against people getting that discount on their prescription drugs at a time when the managed care plans in his area are reducing the prescription drug benefits to seniors, as did the gentleman from Pennsylvania (Mr. ENGLISH), as did the gentleman from Arizona (Mr. HAYWORTH). They voted to deny seniors a savings of 25 to 50 percent at no cost to the Federal Government.

They intend to support the pharmaceutical industry, whose huge political contributions are funding the Republican campaigns. Make no doubt about it, they yield to the big men and they will not help the seniors who are struggling every day to pay for the prescription drug benefits which the Republicans have repeatedly denied. They refused to have hearings, and they refused to vote for reasonable legislation.

They are on the record. Let them deny it. Let them go home and explain to their seniors why they are being destituted because they cannot get prescription drugs at a reasonable price.

Vote against the bill in protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, no one from the Ways and Means majority has answered why they voted against prescription drug discounts.

We have legislation before this Congress to cut the cost of prescription drugs. Yet Republicans will not give us a vote or allow us to debate on the floor any of the legislation we have to provide discounts while Americans pay two times and three times and four times for prescription drugs what people in other countries pay. Remember, 50 percent of all research and development for prescription drugs in this country is paid for by taxpayers. Yet American consumers, America's elderly pay twice as much or three times as much as consumers all over the world in England and France and everywhere else in the world.

This bill is okay, Mr. Speaker. We help providers. But most importantly, we should pass a patients' bill of rights. We should pass prescription drug coverage and prescription drug discounts for America's seniors.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY), a member of the committee.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, I am pleased that my colleagues and I on the Ways and Means Committee were able to craft a bill that addresses some of the problems the have arisen through the implementation of the Balanced Budget Act.

I have heard from nursing homes, home health agencies, HMOs, hospital administrators, doctors and nurses, and other health care providers about their difficulties giving seniors on Medicare adequate care under new and sometimes unrealistic financial constraints.

I have also heard from many of my constituents on Medicare who are frustrated and scared by some of the problems that the BBA has created.

I am happy that we can give back some of the resources that Medicare patients desperately need.

I would like to comment on some of the provisions in the bill;

OUTPATIENT PPS

I am pleased that we can help hospitals, and specifically hospital outpatient departments, by including a provision that is similar to the bill I introduced—the Hospital Outpatient Preservation Act.

This provision gives hospitals a more gradual transition to the prospective payment system. I hope this will help them to continue offering services that are better provided in an outpatient settings—services like chemotherapy and psychiatric counseling—so that patients can return more quickly to the comfort of their homes.

MEDICARE+CHOICE RISK ADJUSTER

I was very concerned to read remarks made by the President, expressing his opposition to restoring HCFA's cuts to Medicare managed care companies.

I have 12,500 seniors who are losing their HMO at the end of this year and I know that I'm not the only member who has had this experience. Many seniors will have to go back to fee-for-service because they don't have another HMO in their country.

Most of my constituents are pleased with their HMO. These plans provide prescription drug coverage and other much-needed services that traditional Medicare does not cover.

But these companies are struggling with the high cost of caring for Medicare patients in areas where their reimbursements are not high enough—especially rural areas.

When we passed the BBA and started Medicare+Choice, we intended this to be a first step in modernizing the Medicare system. If HMOs—that had previously been successful

in the Medicare system—cannot survive under the new reimbursements, how can other types of health plans compete?

This bill contains provisions which will encourage HMOs to enter areas where none exist.

I want to guarantee that we get HMOs into new areas, but also that we keep them there and keep them in areas where they are already operating.

This must be an ongoing process. We must look at reimbursement rates for rural areas where the cost of health care is high but the availability is low.

We must look at the rates for plans who are treating very sick patients.

We must ensure that HCFA is paying these HMOs fairly and not cutting more money from them than Congress intended based on it's own motives of those of the Administration.

IMMUNOSUPPRESSIVE DRUG COVERAGE

Finally, I am pleased to see the inclusion of immunosuppressive drug coverage offered by two of my colleagues from Florida, Congressman CANADY and Congresswoman THURMAN.

It defies logic for Medicare to pay for transplant surgery for a Medicare recipient, then cut off the drugs that they need to survive this surgery after only three years.

Receiving a transplant is a tremendous gift—a chance for a new life. This chance should not be wasted by arbitrary limits on drug coverage.

I am glad that we have showed compassion in extending these drug benefits.

CONCLUSION

I hope that the President is quick to sign this bill into law so that seniors continue to receive the care they need.

While more fundamental reform in Medicare is necessary, it is important to preserve the services of the current system until this is achieved.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, again I want to thank all of the Members who worked across the aisle in a bipartisan fashion to fashion this refinement bill. I want to thank the staff. It is always difficult when we are attempting to provide assistance and it is an unlimited resource.

I want to underscore, this bill is paid for by on-budget surplus. One movie role most Members of Congress would not have to audition for was the scene in Oliver when he holds his porridge bowl up and says, ''More, please.'' It is always ''more, please.''

But this is a refinement, not a reform. As the Members on both sides of the aisle have indicated, there needs to be adjustments.

As a matter of fact, the President of the United States, in a letter dated October 19, said, ''We believe that our administrative actions can complement legislative modifications to refine BBA payment policies. These legislative modifications should be targeted to address unintended consequences of the BBA that can expect to adversely affect beneficiary access to quality care.''

He did not say do a prescription drug program. He did not say rewrite the program. He said refine it where those areas have unintended consequences. That is exactly what this bill does. That is the intention and purpose of the bill.

It just seems to me this is a modest effort, it is a meaningful effort. I would urge those who continue to say they want to really deal with prescription drugs to sit down with us tomorrow and deal with prescription drugs the only responsible way. That is an integrated prescription drug program for all our seniors, not an add-on, not a tack-on, not something that uses gimmicks like formulas or numbers, but a prescription drug program that integrates health care delivery with numerical prescription drugs.

That is what seniors deserve. That is what we offered that the President refused to participate in and the Medicare Commission. They could have deducted the cost of those in the tax bill that he vetoed. But we stand ready tomorrow to sit down and work on this important problem.

Today, let us make those adjustments that the President said were needed in areas that we had not fully understood at the time we passed the bill needed to be changed.

Mr. Speaker, let me conclude that more than three dozen organizations, including the American Hospital Association, the American Medical Association, more than two dozen specialty medical groups including the American Geriatrics Society are in support of this. It seems to me that this modest adjustment needs to go forward.

I thank all of those Democrats who spoke harshly but who will, of course, vote for the bill. I urge all to vote for the bill.

Mr. UNDERWOOD. Mr. Speaker, I'm speaking today in support of H.R. 3075: The Medicare Balanced Budget Refinement Act of 1999. This act provides for increased funding for the State Children's Health Insurance Program which provides much needed health insurance coverage for low-income children.

The SCHIP is targeted at those uninsured children who live in families with income 2-times below the poverty line. This program is authorized to match state spending for child health initiatives, including Guam.

This bill modifies the SCHIP allotment formula to provide states with a more stable financing mechanism. But, more importantly, H.R. 3075 corrects and under-representation of territory population that was reflected in the original formula established by the Balance Budget Act of 1997.

Under this new provision, H.R. 3075 provides for increased allotments for territories which typically receive a pittance of what most states are allocated. This bill will authorize an additional $34.2 million for each of Fiscal Years 2000–2001, $25.2 million for each of Fiscal Years 2002–2004; $34.2 million for each of Fiscal Years 2005–2006 and $40 million for FY 2007 for commonwealths and territories to correct the disparity created as a result in the original formula.

This is an important victory for the territories and commonwealths because no American child ought to be left behind no matter where they live. I am very pleased that uninsured children who live in Guam, the other territories and commonwealths will receive medical insurance that is much needed in the islands.

I would like to take this opportunity to commend my colleague, the gentleman from Puerto Rico, Mr. CARLOS ROMERO-BARCELÓ, who worked tirelessly to ensure that the territories and commonwealths were fairly represented in this measure. Therefore, I stand in support of H.R. 3075.

Mr. MURTHA. Mr. Speaker, I want to acknowledge the hard work on both sides of the aisle and both ends of Pennsylvania Avenue that went into the arduous task of balancing the budget and arriving at the 1997 Balanced Budget Agreement.

However, two years later, I think it is eminently clear that our Senior Citizens, as well as all medical patients and health care providers cannot sustain the cuts that were made in Medicare and so I applaud the efforts of the committees of jurisdiction in moving this BBA 'refinement' bill before adjourning for the year. It will restore some of those cuts and give the hospitals and home health providers some hope and some breathing room for the short term. There are a lot of people, I think, who won't be laid off for Christmas because of this bill.

This 11.5 billion-dollar Medicare reimbursement adjustment bill marks a major step forward in our necessary commitment to provide the care needed throughout our health care system. The improvement in reimbursements to hospitals, home health agencies, rehabilitation services, and nursing homes give a huge boost to the commitment by our health care professionals to provide the full, quality care we all want to see.

However, from my continuing conversations with health care professionals, I think we also need to recognize that as strong of a step forward as this bill is, it is not the last word. We're going to have to keep working toward HMO reform, prescription drug coverage, and expanding the number of people with health care coverage and further adjustments in reimbursement rates.

During this period of a sustained health economy, we need to understand that it is not acceptable to have people out there not getting the health care they need.

I have kept in constant touch with the hospital people, the home health care people, the ambulance people and of course, patients—especially the elderly—in my district during this long period of severe belt-tightening, consolidation, layoffs and downsizing that have significantly harmed the quality of health care service in rural Pennsylvania. There is no question the impact was much more severe than was foreseen.

So, while there is no doubt that this bill is a key to alleviating the crushing, and I think to a large extent unexpected, slashing of revenues that have caused even small rural hospitals' budgets to drop millions of dollars each in just a few years, the struggle to maintain adequate health care funding is not over and I will press very hard to make sure we'll be addressing this issue again in the very near term.

Mr. STENHOLM. Mr. Speaker, I am pleased that the House of Representatives has recognized the need for considering legislation to address the concerns of many of my constituents regarding the impact of the medical payment reductions included in the Balanced

Budget Act of 1997 (BBA). The BBA included provisions which were intended to preserve the solvency and integrity of the Medicare program for future generations. Unfortunately, some of the provisions of the BBA have resulted in unintended consequences as many health care providers have indicated that the payment reductions go too far. This is particularly problematic in rural areas where health care providers have always had to do more with less.

Along with my colleagues in the House Rural Health Care Coalition, I have been working to encourage the Congressional Leadership to consider legislation which would help rural health care providers. We introduced the Triple A Rural Health Improvement Act as a basis for these discussions, and I am pleased to see that some of the important rural health provisions from our bill have been included in the legislation we are considering today. In particular, this bill contains provisions which should help our rural hospitals, nursing homes, home health care agencies, rural health clinics, community health centers, and other health care providers.

This bill contains provisions intended to protect low-volume, rural hospitals from the disproportionate impact of the hospital outpatient prospective payment system, creates an alternative payment system for community health centers and rural health clinics, strengthens the Medicare Rural Hospital Flexibility/Critical Access Hospital Program, expands Graduate Medical Education opportunities in rural settings, and permits rural hospitals in urban-defined counties to be recognized as rural for purposes of Medicare reimbursement.

The legislation we are considering today is a step in the right direction; however, it is only a first step. We have much more work to be done in order to ensure that rural Americans have access to quality, affordable health care services, and to preserve the solvency of the Medicare program for current and future generations.

Mr. CALVERT. Mr. Speaker, my district in Riverside County depends on a number of facilities to provide quality health care to its residents. Many of these facilities have been hit hard by the restrictions that were imposed after enactment of the Balanced Budget Act. This legislation would increase reimbursements to Skilled Nursing Facilities with patients that have medically complex conditions, provide flexibility in staffing and procurement priorities at rural hospitals, ensure the availability of home health care, and restore funding lost from some of the BBA reforms. With these new provisions, we will be able to continue to reap the benefit of the savings provided by the BBA reforms without driving critical healthcare facilities out of business and deteriorating our healthcare infrastructure.

I support this important bill and would have voted for the bill. Unfortunately, I have conflicting responsibilities in may congressional district. Specifically, I have been asked to participate in the dedication of the National Medal of Honor Memorial at Riverside National Cemetery. While I regret having to miss this vote, I look forward to honoring the recipients of the Medal of Honor at this dedication. We enjoy freedom and liberty today because of their dedication and sacrifice for our country.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in strong opposition to the fact that this very important bill to my constituents and to many senior Americans across the country is being brought to the floor under the suspension of the rules without any opportunity for members to amend the bill.

Mr. Speaker, all of us will agree that the cuts in Medicare that were made under the Balanced Budget Act of 1997 went to far. Literally thousands of seniors have lost or are about to lose the opportunity to receive vital care in hospitals, nursing homes and home health care facilities.

In my own district, we only have two facilities that provide long term care for the elderly. As a result, of the Balanced Budget Act cuts in Medicare, both Mentor Clinical Services and Sea View Health Care Services have been tethering on the brink of financial collapse because of the inadequate reimbursement rate that the Act provided.

Mr. Speaker, the bill before us today is a start in remedying the damage that was done to our seniors two years but it doesn't go far enough. The minority should be allowed to offer our amendment to provide additional relief. I urge my colleagues on the other side of the isle to reconsider their refusal to allow amendments. This is a good bill but it doesn't go far enough.

Mr. RILEY. Mr. Speaker, this legislation is certainly a step in the right direction, and that's good, but it simply doesn't solve all the problems facing America's hospitals, especially those out in our rural areas. Now, if you take a closer look, you'll see that most of these changes only delay the problems, they don't solve them. However, they do buy us some time, and if we use that time wisely, we can find a permanent fix.

Like me, I'm sure all of you have heard a lot about this from your constituents, and rightly so. Only half of the Medicare savings plan has taken effect, but already we're seeing some serious problems with it—funding for home health care isn't enough, it's getting harder to recruit physicians, ambulance services are losing money and we're even having trouble funding transportation services for people physically unable to drive to their doctors' appointments. Now that's not right. We can do better.

So I do support this legislation today. As I said, it's a step in the right direction. However, I strongly urge my colleagues to stay the course and help us find a permanent solution to this very serious problem before it's too late.

Mrs. LOWEY. Mr. Speaker, I rise in reluctant opposition to H.R. 3075. I have been calling all year for this House to address the already-staggering burdens that our health care providers are coping with from the cuts mandated by the Balanced Budget Act of 1997. In fact, I introduced legislation with my colleague JACK QUINN to do just that.

I wanted very much to support this legislation. Hospitals in New York have faced significant operating losses and deficits, and they still have $2.6 billion in BBA cuts ahead of them. Thousands of employees have been laid off in an attempt to avoid damaging quality health care services. Even with significant cuts in personnel, many hospitals are hemorrhaging money. The plight of our hospitals, particularly teaching and safety net hospitals, is especially grim.

These premier educational and research institutions have been caught between their traditional mission of serving the less fortunate while educating new generations of physicians and competing in the managed care marketplace. Many states, including California, Pennsylvania, Massachusetts and New York, have heard from hospitals reeling from the impact of substantial cuts.

Our hospitals desperately need some relief. But this bill undercuts New York hospitals. It contains policy changes to the Graduate Medical Education program that would take GME dollars away from New York and other states' institutions, and redistribute it to other states. This is unfair and it is punitive, and it certainly does not belong in a bill intended to help struggling hospitals.

I hope that these damaging GME provisions will be removed as negotiations proceed with the Senate and the White House. My colleagues, we need BBA relief desperately—but it must be fair. I will oppose the bill as it is written, and will work with my colleagues to make sure this bill truly provides relief to our health care institutions.

Mr. SMITH of Washington. Mr. Speaker, I rise today in strong support of H.R. 3075, the bill to revise changes made to Medicare payments as a result of the Balanced Budget Act of 1997.

I strongly support this step forward in making the necessary adjustments to select changes made by the Balanced Budget Act. These changes called for a reduction in Medicare spending of $116 billion over five years, but cuts have actually been closer to $200 million, according to estimates. These reductions are primarily in Medicare reimbursement rates—the amount hospitals and health care providers are reimbursed by the Federal Government for treating Medicare patients. As a result, many health care organizations are becoming unwilling or unable to provide care to Medicare patients.

I am concerned that the Congress made in 1997 are beginning to impact seniors whose health care services are affected by the cuts. Seniors who rely on Medicare for their health care coverage are losing access to vital services. This legislation is an important first step in fixing some of the problems and help ensure that seniors are getting the health care they need.

What's more, the reimbursement rate cuts by the Balanced Budget Act disproportionately affected Washington state. Washington was one of the most efficient states with regards to waste in the Medicare program, the cuts did not properly account for the differences, and treated each state equally. This bill makes a few steps forward in address this problem.

I urge my colleagues to support this important step forward in making needed changes to our Medicare program.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of H.R. 3075, a bill refining the Medicare provisions of the Balanced Budget Act of 1997. This is a good bill, and with a few corrections in conference can become an even better bill.

When the Congress passed the BBA in 1997, we were unaware of the impact the Medicare provisions would have on Medicare providers, specifically the nation's teaching hospitals. As the BBA has been implemented, the reductions in Medicare have been far greater than we had proposed or anticipated. Therefore, it is appropriate for us to revisit this provision of BBA and not allow unintended consequences to adversely affect our nation's

medical education and teaching hospitals including those in my district in Texas.

I am pleased that the bill includes provisions which are similar to legislation which I have introduced as it relates to medical residency funding and allied health services funding. Specifically, the bill includes two provisions affecting the wage base for medical residents. Earlier this year, a study conducted by the New England Journal of Medicine determined that the existing Graduate Medical Education system grossly distorted payments to medical residents in different regions of the country. For instance, the study found that residents in New York were paid seven times the rate as residents at Memorial-Hermann Hospital in my district under the old formula. The bill before us today includes a provision from legislation introduced by Mr. CARDIN of Maryland and myself to equalize such payments based upon regional wage indices.

I am also pleased that the bill includes a provision from a bill introduced by Mr. CRANE of Illinois and myself which would provide for Medicare managed care companies to pay for allied health and skilled nursing graduate medical education at our nation's teaching hospitals. Unfortunately, the bill nets out such payments at $60 million per year from the physician portion of GME and I am hopeful that this can be corrected in conference with the Senate.

Finally, this bill corrects reductions in Indirect Medical Education funding and increases funding for Skilled Nursing Facilities. This bill also addressed problems related to the outpatient PPS for cancer hospitals by exempting such hospitals for two years and does not increase beneficiary copayments. And the bill provides a temporary two year pass through for orphan drugs, cancer drugs, and new drugs and devices which for many patients may be their only hope. The bill also makes needed corrections in the home health care provisions of the BBA and begins to address the physical and speech therapy caps. And, the bill extends coverage for immunosuppressive drugs until October 1, 2004 and increases the payment rate for pap smears, requiring the Secretary of HHS to review payment rates periodically.

Mr. Speaker, this is a good bill which with a few minor corrections in conference can become an even better bill and I urge my colleagues to support its passage.

Mr. SANDLIN. Mr. Speaker, I rise in strong support of H.R. 3075, the Medicare Balanced Budget Refinements Act. H.R. 3075 provides much needed relief for nearly all health care sectors suffering from the unintended consequences of the 1997 Balanced Budget Act. Providing this relief is a bipartisan priority and warrants no less than our immediate attention.

Health care providers in the First Congressional District of Texas have been hit exceptionally hard by the BBA changes. Medicare issues are particularly important to East Texas and other rural areas around this country. With the Medicare population making up over 18% of the rural population, rural hospitals depend more on Medicare reimbursements than their urban counterparts. I have worked hard to make sure rural health care receives the special attention it deserves in this debate. I am pleased that many of my priorities for rural health care relief were adopted by the committee in writing this bill. While the bill may not be everything I had wanted, it is certainly a first step in the right direction.

In particular, I am pleased the bill includes some rural specific provisions to help maintain access to small rural hospitals. The bill permits rural hospitals with fewer than 50 beds to apply for grants of up to $50,000 to meet the costs associated with implementing new prospective payment systems. the Medicare Dependent Hospital Program, established to assist small rural hospitals that are not classified as sole community hospitals and that treat relatively high proportions of Medicare patients, also is extended through fiscal year 2005 in this bill. In addition, provisions to strengthen the Critical Access Hospital Program are included as well. These hospitals are small, rural, limited service hospitals that are geographically remote, rural nonprofit, or public hospitals that are certified by states as a necessary provider. These sources of health care are critical to my constituents and will benefit from the enactment of H.R. 3075.

Mr. Speaker, while I am satisfied with many of the bill's provisions, it does not go far enough in several areas. First, H.R. 3075 does help home health care providers by delaying the 15% reduction until one year after implementation of the PPS. However, I urge my colleagues to include language in the conference bill that would continue Periodic Interim Payments to assist small agencies with cash flow problems. The other body has included language in its bill that would preserve this system for a year after imposition of the PPS. I strongly support this provision and urge its inclusion in the final bill.

I also support efforts to provide more relief for nursing homes. This bill only addresses payment problems for these facilities through a six-month fix. This is insufficient assistance and will not give nursing homes enough time to adjust to the PPS. I hope this provision will be extended in the final product as well.

Although H.R. 3075 falls short in these areas, as well as in the area of prescription drugs where there is a total lack of language to help our seniors, I believe it is essential to pass this legislation as a first step toward reform. I will continue to fight for more improvements to Medicare as we enter the new year, but I urge all of my colleagues to vote today for this overdue relief.

Mr. TERRY. Mr. Speaker, I support H.R. 3075, the Medicare Balanced Budget Refinement Act, even though I have some reservation about a few of its provisions.

When I visited my Omaha district over the past year, I frequently met with Medicare beneficiaries, hospital administrators and representatives of other health care providers. The stories and data they provided me about some of the adverse impacts of the Balanced Budget Act of 1997 (BBA), including restrictions on services to patients, were compelling.

I share the information I received during these visits with Chairman THOMAS of the Subcommittee on Health of the Ways and Means Committee. I told him that Medicare benefits must meet the needs of our growing senior population, and services provided through Medicare must be fairly reimbursed.

I am pleased that this legislation is responsive to Nebraskans' concerns. This is well-planned, comprehensive reform legislation that addresses the needs of both retirees and health care institutions involved in Medicare. It also respects the importance of maintaining Medicare's long-term financial solvency.

I do not agree with all of the provisions in this bill that affect teaching hospitals. Specifically, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would have a mixed impact on hospitals. Some smaller teaching hospitals will lose considerable resources they need to train our future doctors.

I also do not agree with how the Health Care Financing Administration (HCFA) has imposed restrictions on Medicare providers that have gone well beyond the requirements of the Balanced Budget Act. Restrictions adopted administratively will reduce Medicare spending by an estimated $80 billion more over the life of the BBA than was anticipated by Congress. I have joined a number of my colleagues in protesting HCFA's over-reaching regulations.

I also believe that HCFA should be more aggressive in eliminating the billions of dollars of waste and abuse that it acknowledges occur every year. I am familiar with the practices of many private insurers headquartered in the Midwest who have used private recovery services in a successful effort to identify improper payments. HCFA use of a similar approach could save billions. As a member of the Government Reform Committee concerned about waste in government programs, I will continue to encourage HCFA to adopt more such private sector business practices, even if only on a trial basis.

Mr. Speaker, despite my reservations, I support H.R. 3075 and urge its approval.

Mr. RAMSTAD. Mr. Speaker, I rise today in strong support of this critically important legislation.

When we passed the Balanced Budget Act of 1997, we expected savings to be accrued to the system. While GAO and MedPAC report that there has been no loss in access to services for seniors, we have heard from providers across the country that some of these changes have significantly impacted providers, and that relief is necessary. Relief is particularly needed since the Administration is draining close to an additional $100 billion out of the system—something which no Member of this House ever envisioned!

I would like to take a moment to highlight some of the important provisions included in H.R. 3075. There are a number of very important section addressing payments to hospitals, all of which I support. I greatly appreciate the inclusion of a technical ''fix'' for Minnesota's Medicaid Disproportionate Share Hospital (DSH problem and improvements to funding for graduate medical education.

Hospitals and patients will also be helped through the provisions to create an ''outlier'' adjustment for high-acuity patients. And, as Chair of the Medical Technology Caucus, I know hospitals and patients will benefit from the new adjusted payments for innovative medical devices, drugs and biologicals in the hospital outpatient prospective payment system.

I also support the provisions in the bill which will impact Skilled Nursing Facilities (SNF's) by addressing the costs for caring for medically-complex patients and those who need prosthetic devices, chemotherapy drugs and ambulance and emergency services. I know many therapy providers in my state appreciate the adjustments to the outpatient rehabilitation limits.

Being from Minnesota, which has experienced egregiously low payments due to our ability to provide quality care efficiently, I am

particularly supportive of the efforts in the bill to boost Medicare+Choice payments. And, until we can reform the system and significantly improve the funding formula so more Minnesotans have the opportunity to participate in Medicare+Choice, I appreciate the two year extension of the cost contract plans.

I also strongly support the provisions in the bill to ensure frail, elderly seniors will continue to enjoy the services they receive through EverCare and similar programs. EverCare is an effective health care option for the frail elderly living in nursing homes, and along with critical report language that will accompany the bill, this mention of EverCare will stand as a reminder to HCFA to make accommodations necessary for ensuring that frail elderly senior's have continued access to the special, intensive care EverCare provides.

Similarly, I support the section of the bill that extends the life of the Community Nursing Organization demonstration projects for another two years and requires the Administration to submit a comprehensive report on the effectiveness of these programs.

Lastly, I support the provisions in the bill to limit the Administration's use of the Inherent Reasonableness (IR) authority. I am hopeful they will send a strong signal to HCFA to curtail its abusive use of the authority until we have a chance to review GAO's upcoming report on it.

This bill includes significant relief that will help ensure access to care for American seniors. I strongly urge my colleagues to vote for this critically important legislation!

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3075, the Medicare Balanced Budget Refinement Act. H.R. 3075 increase payments to Medicare providers by approximately $11.5 billion over five years and addresses lawmaker and health care provider concerns that reforms made in the 1997 Balanced budget Act adversely affects access to health care services for Medicare beneficiaries.

Like many of my colleagues, I have been contacted by several health care providers in my district who were concerned about the cuts in the Balanced Budget Act of 1997. Although everyone supported a balanced budget agreement, no one intended for the consequences to adversely affect the health care system.

The 1997 BBA made comprehensive reforms to Medicare that included expanding Medicare's coverage of preventive benefits; providing additional choice for seniors; implementing new tools to combat waste, fraud, and abuse; and establishing new initiatives to strengthen Medicare's fee-for-service payment system.

Although these reforms were necessary to control Medicare spending, some of the effects have resulted in providers not receiving their reimbursements in an efficient manner. This bill seeks to resolve some of these issues.

This bill provides hospitals with greater flexibility to participate in Medicare as critical access or sole community hospitals and includes a number of provisions designed to strengthen and increase flexibility for critical access hospitals. It also eases the financial burden on hospitals that care for a disproportionate share of low-income individuals.

This bill includes measures designed to ensure the availability of home care services. It also increases payments for medically complex skilled nursing facility patients and adopts a more equitable structure for direct Graduate Medical Education payments to teaching hospitals nationwide.

H.R. 3075 makes a number of changes to the Medicaid program, including authorizing states to create a new payment system for community health centers and rural clinics that recognize the cost of providing health coverage in rural and underserved areas.

I support this bill and I urge my colleagues to support it as well.

Mr. MCGOVERN. Mr. Speaker, I rise today in support of providing relief to America's home health patients, to those people living in nursing homes and those people that use our teaching and community hospitals. In 1997, I voted against the Balanced Budget Act because it would cut $115 billion out of Medicare. However, these cuts were much worse than anticipated and they are projected to get worse.

Today we are debating H.R. 3075, a bill to give some money back to those health care delivery systems that were hit so hard by the BBA. The specifics of these cuts are staggering. Hospitals in Massachusetts are projected to lose $1.7 billion over five years. However, almost 90% of the cuts have yet to take place. Community hospitals operating margins will decrease 42% from 1997 to 2001. This means that each hospital is reimbursed less per patient than it costs them to treat each patient. The BBA also set an arbitrary reimbursement cap for rehabilitation therapy. We have heard anecdotal stories for three years about how patients are reaching their rehabilitation caps after a few months. Once these caps are reached, the patient cannot continue to receive rehabilitation therapy that is reimbursed by Medicare. Once again, the patient suffers because of these arbitrary caps. And home health agencies are also hurt by the BBA cuts. Twenty agencies in Massachusetts have closed their doors since 1997 and are losing $160 million annually. The end result of these cuts—the hospital, nursing home and home health cuts—is that services for patients decrease.

While I will vote for this bill, the process under which this bill has been brought to the floor disheartens me and I am distressed that the bill is so limited in scope. We should be debating the merits of this bill under the normal rules of the House, not under suspension. We should be able to debate specific amendments. For example, I introduced a bill—along with Congressmen BOB WEYGAND, TOM COBURN and VAN HILLEARY—to provide supplemental funding for home health agencies that treat outliers, or the costliest and sickest patients that can still receive home health care. Because of the way this bill was brought to the floor, this House is prohibited from debating other, meritorious BBA-fix proposals.

I am somewhat encouraged by the ability of the majority party, and in particular the Chairman of the Ways and Means Subcommittee on Health, to admit their mistakes and work to rescind some of these irresponsible Medicare cuts. However, we can do more. I urge my colleagues to vote yes for this bill but to work the leadership of the House, the Senate and the President to provide more relief for the Medicare patients who are hurting because of these irresponsible cuts.

Mr. PORTMAN. Mr. Speaker, I am delighted that the FY 2000 Foreign Operations Appropriations bill we are considering today, H.R. 3196, earmarks at least $13 million to carry out the provisions of the Tropical Forest Conservation Act, which I introduced with JOHN KASICH and Lee Hamilton and was signed into law last year.

The Tropical Forest Conservation Act expands President Bush's Enterprise for the Americas Initiative—EAI—and provides a creative market-oriented approach to protect the world's most threatened tropical forests on a sustained basis.

Tropical forests provide a wide range of benefits, literally affecting the air we breathe, the food we eat, and medicines that cure disease. They harbor 50–90% of the Earth's terrestrial biodiversity. They act as ''carbon sinks'', absorbing massive quantities of carbon dioxide from the atmosphere, thereby reducing greenhouse gases. They regulate rainfall on which agriculture and coastal resources depend, which is of great importance to regional and global climate. And they are the breeding grounds for new drugs that can cure disease.

The Tropical Forest Conservation Act builds on the EAI's successes in the early 1990s, and links two significant facts of life. First, important tropical forests are disappearing at a rapid rate between 1980 and 1990, 30 million acres of tropical forests—an area larger than the State of Pennsylvania—were lost every year. And Second these forests are located in less developed countries that have a hard time repaying their debts to the United States. In fact, about 50% of the world's tropical forests are located in four countries—Indonesia, Peru, Brazil and the Congo—and these countries have in the aggregate over $5 billion of U.S. debt outstanding.

The Tropical Forest Conservation Act gives the President authority to reduce or cancel U.S. A.I.D., and or P.L. 480 debt owed by any eligible country in the world to protect its globally or regionally important tropical forest. These ''debt-for-nature'' exchanges achieve two important goals. They relieve some of the economic pressure that is fueling deforestation, and they provide funds for conservation efforts in the eligible country. These is also the power of leveraging—one dollar of debt reduction in many cases buys two or more dollars in environmental conservation. In other words, the local government will pay substantially more in local currency to protect the forest than the cost of the debt reduction to the U.S. government.

For any country to qualify, it must meet the same criteria established by Congress under the EAI, including that the government has to be democratically elected, cooperating on international narcotics control matters, and not supporting terrorism or violating internationally recognized human rights. Furthermore, to ensure the eligible country meets minimum financial criteria to meet its new obligations under the restructured terms, it must meet the EAI criteria requiring progress on economic reforms.

The Tropical Forest Conservation Act is a cost-effective way to respond to the global crisis in tropical forests, and the groups that have the most experience preserving tropical forests agree. It is strongly supported by The Nature Conservancy, Conservation International, the World Wildlife Fund, the Environmental Defense Fund and others. Many of these organizations have worked with us very closely over the last two years to produce a good bipartisan initiative.

I am delighted that H.R. 3196 includes these funds that will be used to preserve and protect millions of acres of important tropical forests worldwide in a fiscally responsible fashion.

Mr. SHAYS. Mr. Speaker, as an original cosponsor of H.R. 3075, the Medicare Balanced Budget Refinement Act, I rise in strong support of its passage today.

Our seniors, hospitals and providers have spoken in a loud, clear voice. Today we have the opportunity to answer their calls for relief by dedicating $11.5 billion over the next five years to strengthening Medicare for all seniors.

The Medicare Balanced Budget Refinement Act, introduced by Representative BILL THOMAS of California, makes a number of important adjustments to the Balanced Budget Act of 1997 (BBA 97) designed to ensure seniors have access to the care they need.

H.R. 3075 eases the financial burden on hospitals that care for a disproportionate share of low-income individuals, and includes measures to ease the transition for outpatient hospitals switching to the new payment system established by BBA 97. In addition, the bill includes a number of provisions to ensure the availability of home health services, increases payments for medically complex skilled nursing facility patients, and creates separate therapy caps for physical and speech therapy on a per-facility rather than a per-beneficiary basis.

In 1997, we passed the Balanced Budget Agreement (BBA 97) which was an important first step in placing Medicare on firm financial footing while giving seniors options in how they receive care.

BBA 97 was more successful at slowing the growth of Medicare than even Congress envisioned when we passed the legislation in 1997. In 1998, the growth of Medicare spending slowed sharply, and outlays for the program actually declined by 2 percent during the first six months of fiscal year 1999—representing the first spending decrease in the program's history.

We need to pass H.R. 3075 to ensure our success in slowing the growth of Medicare does not come at the expense of our seniors' health.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support H.R. 3075, a vital, common-sense piece of legislation.

Mr. ADERHOLT. Mr. Speaker, I would like to lend my support to H.R. 3075, the Medicare Balanced Budget Refinement Act. This bill represents an important first step in strengthening the long-term future of the Medicare program.

The hospitals in my district are in serious financial trouble. These hospitals, as well as all of the others in Alabama are struggling to make up shortfalls in the millions of dollars, but they refuse to compromise the quality of care they provide. The provisions of this legislation help rural hospitals, and I am supporting the bill, but it is only a first step.

Balancing the budget is important, but we need to periodically examine the effects of previous legislation. Now, the evidence is pouring in from all over the country: we need immediate relief in the form of this bill and we must take an even deeper look early next year.

Thank you Congressman THOMAS for recognizing the enormity of the consequences. Let's pass this legislation today and come back in January prepared to find a permanent solution to this health care crisis.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Texas (Mr. ARCHER) that the House suspend the rules and pass the bill, H.R. 3075, as amended.

The question was taken.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 25, not voting 20, as follows:

[Roll No. 573]

YEAS—388

Abercrombie	Collins	Goodling
Aderholt	Combest	Gordon
Allen	Condit	Goss
Andrews	Conyers	Graham
Archer	Cook	Granger
Armey	Cooksey	Green (TX)
Bachus	Costello	Green (WI)
Baird	Cox	Greenwood
Baker	Crane	Gutierrez
Baldacci	Cubin	Gutknecht
Baldwin	Cummings	Hall (OH)
Ballenger	Cunningham	Hall (TX)
Barcia	Danner	Hansen
Barr	Davis (FL)	Hastings (FL)
Barrett (NE)	Davis (IL)	Hayes
Barrett (WI)	Davis (VA)	Hayworth
Bartlett	Deal	Hefley
Barton	DeFazio	Herger
Bass	DeGette	Hill (IN)
Bateman	Delahunt	Hill (MT)
Becerra	DeLauro	Hilleary
Bentsen	DeLay	Hilliard
Berkley	DeMint	Hinojosa
Berman	Deutsch	Hobson
Berry	Diaz-Balart	Hoeffel
Biggert	Dicks	Hoekstra
Bilbray	Dingell	Holden
Bilirakis	Dixon	Holt
Bishop	Dooley	Hooley
Blagojevich	Doolittle	Horn
Bliley	Doyle	Hostettler
Blumenauer	Dreier	Houghton
Blunt	Duncan	Hoyer
Boehlert	Dunn	Hulshof
Boehner	Edwards	Hunter
Bonilla	Ehlers	Hutchinson
Bonior	Ehrlich	Hyde
Bono	Emerson	Inslee
Borski	English	Isakson
Boswell	Eshoo	Istook
Boucher	Etheridge	Jackson (IL)
Boyd	Evans	Jackson-Lee
Brady (PA)	Everett	(TX)
Brady (TX)	Ewing	Jefferson
Brown (FL)	Farr	Jenkins
Brown (OH)	Fattah	John
Bryant	Filner	Johnson (CT)
Burr	Fletcher	Johnson, E. B.
Burton	Foley	Jones (NC)
Buyer	Ford	Jones (OH)
Callahan	Fossella	Kaptur
Camp	Fowler	Kasich
Campbell	Frank (MA)	Kelly
Canady	Franks (NJ)	Kildee
Cannon	Frelinghuysen	Kilpatrick
Capps	Frost	Kind (WI)
Capuano	Gallegly	King (NY)
Cardin	Ganske	Kingston
Carson	Gejdenson	Kleczka
Castle	Gekas	Knollenberg
Chabot	Gephardt	Kolbe
Chambliss	Gibbons	Kuykendall
Chenoweth-Hage	Gilchrest	LaFalce
Clayton	Gillmor	LaHood
Clement	Gilman	Lampson
Clyburn	Gonzalez	Lantos
Coble	Goode	Largent
Coburn	Goodlatte	Larson
Latham	Pease	Smith (TX)
LaTourette	Pelosi	Smith (WA)
Lazio	Peterson (MN)	Snyder
Leach	Peterson (PA)	Souder
Lee	Petri	Spence
Levin	Phelps	Spratt
Lewis (CA)	Pickering	Stabenow
Lewis (GA)	Pickett	Stearns
Lewis (KY)	Pitts	Stenholm
Lipinski	Pombo	Strickland
LoBiondo	Pomeroy	Stump
Lofgren	Porter	Stupak
Lucas (KY)	Portman	Sununu
Lucas (OK)	Price (NC)	Sweeney
Luther	Pryce (OH)	Talent
Maloney (CT)	Quinn	Tancredo
Manzullo	Radanovich	Tanner
Mascara	Rahall	Tauscher
Matsui	Ramstad	Tauzin
McCarthy (NY)	Rangel	Taylor (MS)
McCollum	Regula	Terry
McCrery	Reynolds	Thomas
McGovern	Riley	Thompson (CA)
McHugh	Rivers	Thompson (MS)
McIntosh	Roemer	Thornberry
McIntyre	Rogan	Thune
McKeon	Rogers	Thurman
McKinney	Rohrabacher	Tiahrt
McNulty	Ros-Lehtinen	Tierney
Meek (FL)	Rothman	Toomey
Meeks (NY)	Roukema	Traficant
Menendez	Roybal-Allard	Turner
Metcalf	Royce	Udall (CO)
Millender-McDonald	Rush	Udall (NM)
Miller (FL)	Ryan (WI)	Upton
Miller, Gary	Ryun (KS)	Velazquez
Minge	Sabo	Vento
Mink	Salmon	Visclosky
Moakley	Sanchez	Vitter
Moore	Sanders	Walden
Moran (KS)	Sandlin	Walsh
Moran (VA)	Sawyer	Wamp
Morella	Saxton	Waters
Murtha	Schaffer	Watkins
Myrick	Schakowsky	Watt (NC)
Napolitano	Scott	Watts (OK)
Neal	Sensenbrenner	Waxman
Nethercutt	Sessions	Weldon (FL)
Ney	Shadegg	Weldon (PA)
Northup	Shaw	Weller
Nussle	Shays	Wexler
Oberstar	Sherman	Weygand
Obey	Sherwood	Whitfield
Olver	Shimkus	Wicker
Ortiz	Shows	Wilson
Ose	Shuster	Wise
Oxley	Simpson	Wolf
Packard	Sisisky	Woolsey
Pallone	Skeen	Wu
Pascrell	Skelton	Wynn
Pastor	Smith (MI)	Young (AK)
	Smith (NJ)	Young (FL)

NAYS—25

Ackerman	Kucinich	Payne
Coyne	Lowey	Sanford
Crowley	Maloney (NY)	Serrano
Doggett	Markey	Slaughter
Engel	McDermott	Stark
Forbes	Miller, George	Towns
Hinchey	Nadler	Weiner
Kennedy	Owens	
Klink	Paul	

NOT VOTING—20

Bereuter	Kanjorski	Mollohan
Calvert	Linder	Norwood
Clay	Martinez	Reyes
Cramer	McCarthy (MO)	Rodriguez
Dickey	McInnis	Scarborough
Hastings (WA)	Meehan	Taylor (NC)
Johnson, Sam	Mica	

□ 1200

Mr. KLINK and Mr. TOWNS changed their vote from ''yea'' to ''nay.''

Mr. RUSH changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to amend titles

XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the medicare, medicaid, and State children's health insurance programs, as revised by the Balanced Budget Act of 1997.''.

A motion to reconsider was laid on the table.

Stated for:

Ms. McCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 573, on H.R. 3075, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. MICA. Mr. Speaker, on rollcall No. 573, I was unavoidably detained. Had I been present, I would have voted "yea."

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purpose of inquiring from the majority leader the schedule for the remainder of the week and for next week.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I am pleased to announce that we have completed legislative business for the week. I thank all my colleagues for their hard work and patience this past week as we labored to wrap up the legislative session.

The House will next meet on Monday November 8 at 12:30 p.m. for morning hour, and at 2 o'clock p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices later today. On Monday we do not expect recorded votes until 6 o'clock p.m.

On Tuesday, November 9, the House will take up H.R. 3073, the Fathers Count Act of 1999, and H.R. 1714, the Electronic Signatures in Global National Commerce Act, both subject to a rule. We are also likely to consider a number of bills under suspension of the rules and any appropriations business ready for consideration.

Mr. Speaker, authorizing committees are hard at work wrapping up key bills with their Senate counterparts, so we expect a number of conference reports next week, including H.R. 1554, the Satellite Home Viewer Act, H.R. 100, the FAA Reauthorization Act, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, and H.R. 1180, the Work Incentives Improvement Act of 1999.

Mr. Speaker, the House will also pass a rule allowing suspensions on any day of the week, provided there are two hours of prior notification to the House. We will, of course, consult the minority leader should we add suspensions to Wednesday's schedule.

Mr. Speaker, we are obviously making good progress on our appropriations business. The continuing resolution passed by the Congress this week will be in effect until November 10, and we are all working hard to finish our business by that date. I will, of course, try to keep Members apprised of any scheduling changes as soon as we have that information.

Mr. Speaker, with that I want to thank the gentleman for yielding.

Mr. BONIOR. I thank my colleague for his information. We can assume late evenings until we finish, is that a relatively accurate assessment of where we are in the process, until we finish this session?

Mr. ARMEY. Yes, I think Members should understand that we will be coming back Monday night; we would be working Monday night, Tuesday, and hoping to finish on Wednesday. All the conferees on the various appropriations bills are going to be working over the weekend and working hard. So we should expect to see long days, perhaps periods where we go into recess subject to the call of the Chair.

These are frustrating times, but they are times where once the logistical work of moving paperwork and these things are fulfilled, and with any good fortune and good work and the continued cooperation across the aisle and across the long corridor, hopefully we can meet our objective to complete our work by Wednesday, sometime in the evening.

Mr. BONIOR. I thank the gentleman.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report to accompany the bill, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT TO MONDAY, NOVEMBER 8, 1999

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GOSS) is recognized for 5 minutes.

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CRITICS QUESTION USEC'S REQUEST FOR $200 MILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I rise today to speak about an issue that is of great importance to our Nation and I believe to our Nation's national security.

A few months ago we chose unwisely, I believe, to privatize the uranium enrichment industry, taking this from a government-owned and operated industry and turning it over to the private sector.

Now, the Government supposedly received about $1.9 billion from the sale of this industry, but immediately after privatization, or shortly after privatization, we forced the taxpayers to spend $325 million to keep a deal with the Russians, enabling us to bring materiel from their dismantled warheads into our country. This private industry is now asking for an additional $200 million bailout from this Congress and from the taxpayer.

Jonathan Riskind, who writes for the Columbus Dispatch, has recently authored an article on this privatization arrangement and the request for $200 million, and I would like to share some of the comments that were contained in Mr. Riskind's Columbus Dispatch article.

He begins by saying the Federal corporation that was created to cut the costs of running Southern Ohio's uranium enrichment plant wants a $200 million bailout from the taxpayer. Critics, ranging from lawmakers to arms control experts, say the request is further evidence, further evidence, that officials made a bad decision in privatizing the United States Enrichment Corporation.

At its plants in Piketon, Ohio, and in Paducah, Kentucky, USEC converts

low-grade Russian uranium into enriched uranium to be used for fuel for nuclear power plants as part of the Swords-Into-Plowshares deal entered into with Russia in 1993.

Mr. Riskind further says that this bailout request might intensify the push for congressional hearings about the Clinton administration's decision to push forward with privatization of the Nation's uranium enrichment operations. A privatization investigation launched by the House Committee on Commerce was first disclosed in August by the Columbus Dispatch.

Mr. Speaker, what we have here is a case where a company has been privatized and over the course of the last year, they have given dividends to their private investors of about $100 million, dividends which exceeded the profits of that company. They also are paying exceedingly high salaries to their executive staff, in some cases including stock options worth well over $2 million. They also have spent this last year about $100 million to purchase back their own stock in order to prop up the value of their own stock, and yet they are now coming to the taxpayers of this country saying we need a $200 million bailout or else we may have to withdraw as the executive agent of the Russian HEU deal.

This, in my judgment, is a rip-off of the taxpayer, and I plead with the Members of this body not to let this happen. If this private company wants a $200 million bailout from the taxpayer, there ought to be some strings attached. They ought to open up their books. We ought to know exactly why they are paying such exceedingly high dividends, dividends which exceed the profits of the company, why they are paying such high executive salaries, why they spent $100 million to purchase back their own stock, and then they are crying that without a government bailout they may have to withdraw as the executive agent of this exceedingly important national security issue.

I plead with my colleagues to investigate this issue. I know it is esoteric, I know it is complex, I know it is not easily understood; but it is a matter that is of critical importance to the national security of this Nation, and communities may face economic decimation if we allow this corporation to continue to look after itself and its employees and its shareholders, and to ignore what is right and best for this country and for our local domestic workers and for the local communities who have borne the burden of winning the Cold War for this country over the years.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

PROTEST TRADE POLICIES WITH PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, most Americans and, for that matter, most Members of Congress probably have not perhaps until recently heard of Falun Gong. I had never heard of it until last summer, when the People's Republic of China banned it and started throwing thousands of people in jail for practicing their faith.

It is hardly surprising, Mr. Speaker, that China systematically is arresting and torturing and even killing its own citizens for practicing Falun Gong. After all, this is the same gang of dictators that persecutes Christians, that tolerates, maybe even encourages, forced abortions, the exact same regime that had the People's Liberation Army crush hundreds of democracy advocates 10 years ago at Tiananmen Square in Beijing.

But even though this latest purge is completely in character, it is a perfect illustration of the fact that 10 years of giving the Chinese government trading privileges with the United States, giving them most-favored-nation status, still has not brought about the rule of law in China.

I cannot recall ever seeing less respect for human life, nor do I think there is better evidence to contradict the incessant drum beat from corporate America and the Republican allies in Congress that free trade is the magic bean that is going to sprout democracy in China. There is simply no evidence for that, because when Beijing decided to make practicing Falun Gong a capital offense, which is exactly what the rubber-stamped Chinese Congress did last week, we see that life in the People's Republic of China is exactly the same as it was before American CEOs streamed into Shanghai last month to celebrate 50 years of communism. Topping off this event was a presentation by one major American CEO of a bust of Abraham Lincoln to Chinese President Jiang Zemin.

Regardless of what the business community or the lawyers at the Commerce Department or their Republican allies tell us, our trade with China is completely one-sided. Just look at our trade deficit figures and tell any of us otherwise. Walk into a Wal-Mart, count the number of items that are stamped ''made in China,'' and you can see the picture. If you are still not convinced, then read the administration's own report on the effects of a WTO deal with China on our economy.

□ 1215

That report tells us that even under the best possible circumstances, which might mean that the totalitarian government actually lives up to the promises they made any time in the last 10 years to our government, even under those circumstances, the best of circumstances, our exports to China would barely increase and our trade deficit, even under the best of circumstances, would continue to balloon out of control.

Mr. Speaker, this not a report by a college student or a Washington think tank, this is a determination of our own International Trade Commission. These are the men and women that our constituents pay to analyze just what kind of deal we are getting from letting China dump its goods here, from letting it keep our goods and services out of their market.

The men and women of the ITC are telling us that a WTO deal for China could not help our economy any more than a WTO deal for Mars would help stop the factory closings or help sell American cars or help sell American planes to China's 1 billion consumers.

That is because there are not really 1 billion consumers in the People's Republic of China. That is not how corporations of the United States look at China. There are 1 billion potential low-wage workers. That is what excites American corporations. The average person in China makes less than $800 a year, and we are supposed to believe they are going to buy our products. Even the ITC has concluded that that is a preposterous assumption.

Mr. Speaker, before we close one more factory, before we permit one more forced abortion in China, before we allow China to continue to operate its slave labor and child labor camps and sell goods to the United States, we need to stop kidding ourselves and get out of the business of trading with dictators, because as I speak, there are thousands of men and women in China who are being beaten and killed for choosing to believe in ideals that we take for granted in this country, ideals from Abraham Lincoln that Jiang Zemin really does not admire, clearly, whether it is our faith in God, our right to vote, or simply wanting to go on an early morning jog.

I urge all of my colleagues to protest and oppose any more trading privileges with the People's Republic of China until its government proves it actually is capable of respecting law.

INTRODUCTION OF PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise today to share with my colleagues some information that they probably already know, but they need to be reminded of.

Recently there have been a number of reports, this one happens to be from MSNBC, about what is happening in America relative to drug prices. The headline was ''High Drug Prices Burden Many Seniors.'' ''The cost of medicine

for elderly people far outstrips inflation,'' according to the Associated Press.

These stories are being repeated around the country. CNN and the New York Times did a story on this, and a number of publications have reinforced the point that Americans in general, seniors in particular, are paying far too much for prescription drugs.

I would like to read, Mr. Speaker, excerpts from a letter to the community from George Halverson. George Halverson is the President and CEO of HealthPartners. It was printed in the Minneapolis Star and Tribune on 10/29/99.

Let me just read from this: ''The cost of prescription drugs varies to an amazing degree between countries. If you have a stomach ulcer and your doctor says you need to be on Prilosec, you will probably pay about $99.95 for a 30-day supply in the Twin Cities. But, if you were vacationing in Canada and decided to fill your prescription there, you would pay only $50.88. Or even better, if you are looking for a little warmer weather south of the border in Mexico, the same 30-day supply would only cost you $17.50. That's for the same dose, made by the same manufacturer.

If we could get only half the price break that Canadians get, our plan, referring to HealthPartners, ''our plan alone could have saved our members nearly $35 million last year.''

He goes on to say, ''When the North American Free Trade Agreement, NAFTA, was passed by Congress to allow free trade between the United States and our neighboring countries, HealthPartners decided to follow the lead of Minnesota Senior Federation and buy our drugs in Canada at Canadians' prices. We were disappointed to learn of the rules and the practices which kept us from succeeding. There is no free trade in prescription drugs. We need to do something about this.''

Mr. Halverson, we agree. It is outrageous, when our seniors have learned now that they can go across the border and save 30, 40, 50, and even 60 percent on prescription drugs, the outrageous part is they are stopped from doing that by our own FDA.

Mr. Speaker, here is what happens when seniors or any American consumer learns that they can get prescription drugs from across the border. Seniors in Minnesota have tried to set up relationships with their local pharmacists, and we need the local pharmacist to be involved in this.

They have learned that they can, using the Internet, using the web, using a fax machine, they can set up corrrespondent relationships. Many of them are going to to the local pharmacy, having a prescription filled there by actually getting the drugs shipped in by parcel post from Canada.

What has happened? The FDA intervenes and they inspect the packages. Then they send a very threatening letter to our seniors and other consumers who are practicing this method of trying to save some money on prescription drugs.

Let me just read the first paragraph of this letter: ''This letter is to advise you that the Minneapolis District of the United States Food and Drug Administration has examined the package addressed to you containing drugs which appear to be unapproved for use in the United States.'' It goes on to threaten the senior, that if they try to do this again, they could be in big trouble. I would be threatened by that letter, but my parents would be far more threatened by this letter.

Mr. Speaker, this is outrageous. I say it is outrageous because the law, in my opinion, and I think the opinion of legal scholars around the country is fairly clear, the law is section 381, imports and exports. It basically says they have got to give notice to the owner or consignee. Then such articles shall be refused admission.

In other words, if it really is an illegal drug, it can be stopped. But if it is a drug that is otherwise approved in the United States, the FDA is on very thin ice.

Mr. Speaker, there is a difference in opinion in this between myself, between seniors, between consumers groups, and the FDA. Today I am going to introduce legislation which will remove all doubt. It will make it clear that the burden now will be on the FDA that this is an illegal practice, because I am committed and a growing number of Members of Congress are committed to making a very clear statement to the people at the FDA: We will not allow a Federal bureaucracy to stand between American consumers and lower prices. It is wrong, and if there is anything we can do to stop it, we will.

I am introducing the legislation today. I am calling on my colleagues from both sides of the political aisles to join me in this debate. Prescription drugs are too expensive for American consumers in general, and seniors in particular. We can do something about it. We should do it now.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

CONFERENCE REPORT ON H.R. 1555

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–457)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Intelligence Authorization Act for Fiscal Year 2000''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Intelligence Community Management Account.
Sec. 105. Authorization of emergency supplemental appropriations for fiscal year 1999.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Diplomatic intelligence support centers.
Sec. 304. Protection of identity of retired covert agents.
Sec. 305. Access to computers and computer data of executive branch employees with access to classified information.
Sec. 306. Naturalization of certain persons affiliated with a Communist or similar party.
Sec. 307. Technical amendment.
Sec. 308. Declassification review of intelligence estimate on Vietnam-era prisoners of war and missing in action personnel and critical assessment of estimate.
Sec. 309. Report on legal standards applied for electronic surveillance.
Sec. 310. Report on effects of foreign espionage on the United States.
Sec. 311. Report on activities of the Central Intelligence Agency in Chile.
Sec. 312. Report on Kosova Liberation Army.
Sec. 313. Reaffirmation of longstanding prohibition against drug trafficking by employees of the intelligence community.
Sec. 314. Sense of Congress on classification and declassification.
Sec. 315. Sense of Congress on intelligence community contracting.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Improvement and extension of central services program.
Sec. 402. Extension of CIA Voluntary Separation Pay Act.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Protection of operational files of the National Imagery and Mapping Agency.

Sec. 502. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

Sec. 601. Expansion of definition of ''agent of a foreign power'' for purposes of the Foreign Intelligence Surveillance Act of 1978.
Sec. 602. Federal Bureau of Investigation reports to other executive agencies on results of counterintelligence activities.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

Sec. 701. Findings.
Sec. 702. National Commission for the Review of the National Reconnaissance Office.
Sec. 703. Duties of commission.
Sec. 704. Powers of commission.
Sec. 705. Staff of commission.
Sec. 706. Compensation and travel expenses.
Sec. 707. Treatment of information relating to national security.
Sec. 708. Final report; termination.
Sec. 709. Assessments of final report.
Sec. 710. Inapplicability of certain administrative provisions.
Sec. 711. Funding.
Sec. 712. Congressional intelligence committees defined.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

Sec. 801. Short title.
Sec. 802. Findings and policy.
Sec. 803. Purpose.
Sec. 804. Public identification of significant foreign narcotics traffickers and required reports.
Sec. 805. Blocking assets and prohibiting transactions.
Sec. 806. Authorities.
Sec. 807. Enforcement.
Sec. 808. Definitions.
Sec. 809. Exclusion of persons who have benefited from illicit activities of drug traffickers.
Sec. 810. Judicial Review Commission on Foreign Asset Control.
Sec. 811. Effective date.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The National Reconnaissance Office.
(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2000, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 1555 of the One Hundred Sixth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The classified Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2000 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of $170,672,000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 348 full-time personnel as of September 30, 2000. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 2000 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2001.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2000, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2000, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2001, and funds provided for procurement purposes shall remain available until September 30, 2002.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for activities of the Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999.

(a) AUTHORIZATION.—Amounts authorized to be appropriated for fiscal year 1999 under section 101 of the Intelligence Authorization Act for Fiscal Year 1999 (Public Law 105–272) for the conduct of the intelligence activities of elements of the United States Government listed in such section are hereby increased, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased by the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31), for such amounts as are designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(b) RATIFICATION.—For purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414), any obligation or expenditure of amounts appropriated in the 1999 Emergency Supplemental Appropriations Act for intelligence activities is hereby ratified and confirmed, to the extent such amounts are designated by Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2000 the sum of $209,100,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

''LIMITATION ON ESTABLISHMENT OR OPERATION OF DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

''SEC. 115. (a) IN GENERAL.—(1) A diplomatic intelligence support center may not be established, operated, or maintained without the prior approval of the Director of Central Intelligence.

''(2) The Director may only approve the establishment, operation, or maintenance of a diplomatic intelligence support center if the Director determines that the establishment, operation, or maintenance of such center is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

''(b) PROHIBITION OF USE OF APPROPRIATIONS.—Amounts appropriated pursuant to authorizations by law for intelligence and intelligence-related activities may not be obligated or expended for the establishment, operation, or maintenance of a diplomatic intelligence support center that is not approved by the Director of Central Intelligence.

''(c) DEFINITIONS.—In this section:

''(1) The term 'diplomatic intelligence support center' means an entity to which employees of the various elements of the intelligence community (as defined in section 3(4)) are detailed for the purpose of providing analytical intelligence support that—

''(A) consists of intelligence analyses on military or political matters and expertise to conduct limited assessments and dynamic taskings for a chief of mission; and

''(B) is not intelligence support traditionally provided to a chief of mission by the Director of Central Intelligence.

''(2) The term 'chief of mission' has the meaning given that term by section 102(3) of the Foreign Service Act of 1980 (22 U.S.C. 3902(3)), and includes ambassadors at large and ministers of diplomatic missions of the United States, or persons appointed to lead United States offices abroad designated by the Secretary of State as diplomatic in nature.

''(d) TERMINATION.—This section shall cease to be effective on October 1, 2000.''.

(b) CLERICAL AMENDMENT.—The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 114 the following new item:

''Sec. 115. Limitation on establishment or operation of diplomatic intelligence support centers.''.

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS.

(a) IN GENERAL.—Section 606(4)(A) of the National Security Act of 1947 (50 U.S.C. 426(4)(A)) is amended—

(1) by striking ''an officer or employee'' and inserting ''a present or retired officer or employee''; and

(2) by striking ''a member'' and inserting ''a present or retired member''.

(b) PRISON SENTENCES FOR VIOLATIONS.—

(1) IMPOSITION OF CONSECUTIVE SENTENCES.—Section 601 of the National Security Act of 1947 (50 U.S.C. 421) is amended by adding at the end the following new subsection:

''(d) A term of imprisonment imposed under this section shall be consecutive to any other sentence of imprisonment.''.

(2) TECHNICAL AMENDMENTS.—Such section 601 is further amended—

(A) in subsection (a), by striking ''shall be fined not more than $50,000'' and inserting ''shall be fined under title 18, United States Code,'';

(B) in subsection (b), by striking ''shall be fined not more than $25,000'' and inserting ''shall be fined under title 18, United States Code,''; and

(C) in subsection (c), by striking ''shall be fined not more than $15,000'' and inserting ''shall be fined under title 18, United States Code,''.

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION.

(a) ACCESS.—Section 801(a)(3) of the National Security Act of 1947 (50 U.S.C. 435(a)(3)) is amended by striking ''and travel records'' and inserting ''travel records, and computers used in the performance of government duties''.

(b) COMPUTER DEFINED.—Section 804 of that Act (50 U.S.C. 438) is amended—

(1) by striking ''and'' at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting ''; and''; and

(3) by adding at the end the following:

''(8) the term 'computer' means any electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device and any data or other information stored or contained in such device.''.

(c) APPLICABILITY.—The President shall modify the procedures required by section 801(a)(3) of the National Security Act of 1947 to take into account the amendment to that section made by subsection (a) of this section not later than 90 days after the date of the enactment of this Act.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY.

Section 313 of the Immigration and Nationality Act (8 U.S.C. 1424) is amended by adding at the end the following new subsection:

''(e) A person may be naturalized under this title without regard to the prohibitions in subsections (a)(2) and (c) of this section if the person—

''(1) is otherwise eligible for naturalization;

''(2) is within the class described in subsection (a)(2) solely because of past membership in, or past affiliation with, a party or organization described in that subsection;

''(3) does not fall within any other of the classes described in that subsection; and

''(4) is determined by the Director of Central Intelligence, in consultation with the Secretary of Defense, and with the concurrence of the Attorney General, to have made a contribution to the national security or to the national intelligence mission of the United States.''.

SEC. 307. TECHNICAL AMENDMENT.

Section 305(b)(2) of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104–293, 110 Stat. 3465; 8 U.S.C. 1427 note) is amended by striking ''subparagraph (A), (B), (C), or (D) of section 243(h)(2) of such Act'' and inserting ''clauses (i) through (iv) of section 241(b)(3)(B) of such Act''.

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE.

(a) DECLASSIFICATION REVIEW.—Subject to subsection (b), the Director of Central Intelligence shall review for declassification the following:

(1) National Intelligence Estimate 98–03 dated April 1998 and entitled ''Vietnamese Intentions, Capabilities, and Performance Concerning the POW/MIA Issue''.

(2) The assessment dated November 1998 and entitled ''A Critical Assessment of National Intelligence Estimate 98–03 prepared by the United States Chairman of the Vietnam War Working Group of the United States-Russia Joint Commission on POWs and MIAs''.

(b) LIMITATIONS.—The Director shall not declassify any text contained in the estimate or assessment referred to in subsection (a) which would—

(1) reveal intelligence sources and methods; or

(2) disclose by name the identity of a living foreign individual who has cooperated with United States efforts to account for missing personnel from the Vietnam era.

(c) DEADLINE.—The Director shall complete the declassification review of the estimate and assessment under subsection (a) not later than 30 days after the date of the enactment of this Act.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE.

(a) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Director of Central Intelligence, the Director of the National Security Agency, and the Attorney General shall jointly prepare, and the Director of the National Security Agency shall submit to the appropriate congressional committees, a report in classified and unclassified form providing a detailed analysis of the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance.

(b) MATTERS SPECIFICALLY ADDRESSED.—The report shall specifically include a statement of each of the following legal standards:

(1) The legal standards for interception of communications when such interception may result in the acquisition of information from a communication to or from United States persons.

(2) The legal standards for intentional targeting of the communications to or from United States persons.

(3) The legal standards for receipt from non-United States sources of information pertaining to communications to or from United States persons.

(4) The legal standards for dissemination of information acquired through the interception of the communications to or from United States persons.

(c) DEFINITIONS.—As used in this section:

(1) The term ''intelligence community'' has the meaning given that term under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(2) The term ''United States persons'' has the meaning given that term under section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(3) The term ''appropriate congressional committees'' means the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES.

Not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to Congress a report describing the effects of espionage against the United States, conducted by or on behalf of other nations, on United States trade secrets, patents, and technology development. The report shall also include an analysis of other effects of such espionage on the United States.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE.

(a) IN GENERAL.—By not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the following events in the Republic of Chile:

(1) The assassination of President Salvador Allende in September 1973.

(2) The accession of General Augusto Pinochet to the Presidency of the Republic of Chile.

(3) Violations of human rights committed by officers or agents of former President Pinochet.

(b) DEFINITION.—In this section, the term ''appropriate congressional committees'' means the Permanent Select Committee on Intelligence and the Committee on Appropriations of the House of Representatives and the Select Committee on Intelligence and the Committee on Appropriations of the Senate.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY.

(a) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report (in

both classified and unclassified form) on the organized resistance in Kosovo known as the Kosova Liberation Army. The report shall include the following:

(1) A summary of the history of the Kosova Liberation Army.

(2) As of the date of the enactment of this Act—

(A) the number of individuals currently participating in or supporting combat operations of the Kosova Liberation Army (fielded forces), and the number of individuals in training for such service (recruits);

(B) the types, and quantity of each type, of weapon employed by the Kosova Liberation Army, the training afforded to such fielded forces in the use of such weapons, and the sufficiency of such training to conduct effective military operations; and

(C) minimum additional weaponry and training required to improve substantially the efficacy of such military operations.

(3) An estimate of the percentage of funding (if any) of the Kosova Liberation Army that is attributable to profits from the sale of illicit narcotics.

(4) A description of the involvement (if any) of the Kosova Liberation Army in terrorist activities.

(5) A description of the number of killings of noncombatant civilians (if any) carried out by the Kosova Liberation Army since its formation.

(6) A description of the leadership of the Kosova Liberation Army, including an analysis of—

(A) the political philosophy and program of the leadership; and

(B) the sentiment of the leadership toward the United States.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—As used in this section, the term ''appropriate congressional committees'' means the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) FINDING.—Congress finds that longstanding statutes, regulations, and policies of the United States prohibit employees, agents, and assets of the elements of the intelligence community, and of every other Federal department and agency, from engaging in the illegal manufacture, purchase, sale, transport, and distribution of drugs.

(b) OBLIGATION OF EMPLOYEES OF INTELLIGENCE COMMUNITY.—Any employee of the intelligence community having knowledge of a fact or circumstance that reasonably indicates that an employee, agent, or asset of an element of the intelligence community is involved in any activity that violates a statute, regulation, or policy described in subsection (a) shall report such knowledge to an appropriate official.

(c) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term ''intelligence community'' has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.

It is the sense of Congress that the systematic declassification of records of permanent historical value is in the public interest and that the management of classification and declassification by Executive branch agencies requires comprehensive reform and the dedication by the Executive branch of additional resources.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM.

(a) SCOPE OF PROVISION OF ITEMS AND SERVICES.—Subsection (a) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended by striking ''and to other'' and inserting '', nonappropriated fund entities or instrumentalities associated or affiliated with the Agency, and other''.

(b) DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.—Subsection (c)(2) of that section is amended—

(1) by amending subparagraph (D) to read as follows:

''(D) Amounts received in payment for loss or damage to equipment or property of a central service provider as a result of activities under the program.'';

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D), as so amended, the following new subparagraph (E):

''(E) Other receipts from the sale or exchange of equipment or property of a central service provider as a result of activities under the program.''.

(c) AVAILABILITY OF FEES.—Subsection (f)(2)(A) of that section is amended by inserting ''central service providers and any'' before ''elements of the Agency''.

(d) EXTENSION OF PROGRAM.—Subsection (h)(1) of that section is amended by striking ''March 31, 2000'' and inserting ''March 31, 2002''.

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.

(a) EXTENSION OF AUTHORITY.—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4 note) is amended by striking ''September 30, 1999'' and inserting ''September 30, 2002''.

(b) REMITTANCE OF FUNDS.—Section 2(i) of that Act is amended by striking ''or fiscal year 1999'' and inserting '', 1999, 2000, 2001, or 2002''.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) IN GENERAL.—(1) Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting after section 105A (50 U.S.C. 403–5a) the following new section:

''PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

''SEC. 105B. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—(1) The Director of the National Imagery and Mapping Agency, with the coordination of the Director of Central Intelligence, may exempt operational files of the National Imagery and Mapping Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

''(2)(A) Subject to subparagraph (B), for the purposes of this section, the term 'operational files' means files of the National Imagery and Mapping Agency (hereinafter in this section referred to as 'NIMA') concerning the activities of NIMA that before the establishment of NIMA were performed by the National Photographic Interpretation Center of the Central Intelligence Agency (NPIC), that document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

''(B) Files which are the sole repository of disseminated intelligence are not operational files.

''(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

''(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

''(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

''(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

''(i) The Permanent Select Committee on Intelligence of the House of Representatives.

''(ii) The Select Committee on Intelligence of the Senate.

''(iii) The Intelligence Oversight Board.

''(iv) The Department of Justice.

''(v) The Office of General Counsel of NIMA.

''(vi) The Office of the Director of NIMA.

''(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

''(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

''(C) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1) and which have been returned to exempted operational files for sole retention shall be subject to search and review.

''(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of this section, and which specifically cites and repeals or modifies its provisions.

''(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that NIMA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

''(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

''(i) In any case in which information specifically authorized under criteria established by an Executive Order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NIMA, such information shall be examined ex parte, in camera by the court.

''(ii) The court shall, to the fullest extent practicable, determine the issues of fact based on sworn written submissions of the parties.

''(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

''(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NIMA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

''(II) The court may not order NIMA to review the content of any exempted operational file or

files in order to make the demonstration required under subclause (I), unless the complainant disputes NIMA's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

''(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

''(vi) If the court finds under this paragraph that NIMA has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order NIMA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

''(vii) If at any time following the filing of a complaint pursuant to this paragraph NIMA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

''(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence prior to submission to the court.

''(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every ten years, the Director of the National Imagery and Mapping Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from the category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

''(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of the particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

''(3) A complainant that alleges that NIMA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

''(A) Whether NIMA has conducted the review required by paragraph (1) before the expiration of the ten-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

''(B) Whether NIMA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.''.

(2) The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 105A the following new item:

''Sec. 105B. Protection of operational files of the National Imagery and Mapping Agency.''.

(b) TREATMENT OF CERTAIN TRANSFERRED RECORDS.—Any record transferred to the National Imagery and Mapping Agency from exempted operational files of the Central Intelligence Agency covered by section 701(a) of the National Security Act of 1947 (50 U.S.C. 431(a)) shall be placed in the operational files of the National Imagery and Mapping Agency that are established pursuant to section 105B of the National Security Act of 1947, as added by subsection (a).

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974), as amended by section 502 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107; 111 Stat. 2262), is further amended by striking ''for fiscal years 1998 and 1999'' and inserting ''for fiscal years 2000 and 2001''.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. EXPANSION OF DEFINITION OF "AGENT OF A FOREIGN POWER" FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 101(b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(2)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

''(D) knowingly enters the United States under a false or fraudulent identity for or on behalf of a foreign power or, while in the United States, knowingly assumes a false or fraudulent identity for or on behalf of a foreign power; or''.

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES.

Section 811(c)(2) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103–359; 108 Stat. 3455; 50 U.S.C. 402a(c)(2)) is amended by striking ''after a report has been provided pursuant to paragraph (1)(A)''.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

SEC. 701. FINDINGS.

Congress makes the following findings:

(1) Imagery and signals intelligence satellites are vitally important to the security of the Nation.

(2) The National Reconnaissance Office (in this title referred to as the ''NRO'') and its predecessor organizations have helped protect and defend the United States for more than 30 years.

(3) The end of the Cold War and the enormous growth in usage of information technology have changed the environment in which the intelligence community must operate. At the same time, the intelligence community has undergone significant changes in response to dynamic developments in strategy and in budgetary matters. The acquisition and maintenance of satellite systems are essential to providing timely intelligence to national policymakers and achieving information superiority for military leaders.

(4) There is a need to evaluate the roles and mission, organizational structure, technical skills, contractor relationships, use of commercial imagery, acquisition of launch vehicles, launch services, and launch infrastructure, mission assurance, acquisition authorities, and relationship to other agencies and departments of the Federal Government of the NRO in order to assure continuing success in satellite reconnaissance in the new millennium.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''National Commission for the Review of the National Reconnaissance Office'' (in this title referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of eleven members, as follows:

(1) The Deputy Director of Central Intelligence for Community Management.

(2) Three members appointed by the Majority Leader of the Senate, in consultation with the Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and two from private life.

(3) Two members appointed by the Minority Leader of the Senate, in consultation with the Vice Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and one from private life.

(4) Three members appointed by the Speaker of the House of Representatives, in consultation with the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and two from private life.

(5) Two members appointed by the Minority Leader of the House of Representatives, in consultation with the ranking member of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and one from private life.

The Director of the National Reconnaissance Office shall be an ex officio member of the Commission.

(c) MEMBERSHIP.—(1) The individuals appointed as members of the Commission shall be individuals who are nationally recognized for expertise, knowledge, or experience in—

(A) technical intelligence collection systems and methods;

(B) research and development programs;

(C) acquisition management;

(D) use of intelligence information by national policymakers and military leaders; or

(E) the implementation, funding, or oversight of the national security policies of the United States.

(2) An official who appoints members of the Commission may not appoint an individual as a member of the Commission if, in the judgment of the official, such individual possesses any personal or financial interest in the discharge of any of the duties of the Commission.

(3) All members of the Commission appointed from private life shall possess an appropriate security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(d) CO-CHAIRS.—(1) The Commission shall have two co-chairs, selected from among the members of the Commission.

(2) One co-chair of the Commission shall be a member of the Democratic Party, and one co-chair shall be a member of the Republican Party.

(3) The individuals who serve as the co-chairs of the Commission shall be jointly agreed upon by the President, the Majority Leader of the Senate, the Minority Leader of the Senate, and Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

(e) APPOINTMENT; INITIAL MEETING.—(1) Members of the Commission shall be appointed not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall hold its initial meeting on the date that is 60 days after the date of the enactment of this Act.

(f) MEETINGS; QUORUM; VACANCIES.—(1) After its initial meeting, the Commission shall meet upon the call of the co-chairs of the Commission.

(2) Six members of the Commission shall constitute a quorum for purposes of conducting business, except that two members of the Commission shall constitute a quorum for purposes of receiving testimony.

(3) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(4) If vacancies in the Commission occur on any day after 45 days after the date of the enactment of this Act, a quorum shall consist of a

majority of the members of the Commission as of such day.

(g) ACTIONS OF COMMISSION.—(1) The Commission shall act by resolution agreed to by a majority of the members of the Commission voting and present.

(2) The Commission may establish panels composed of less than the full membership of the Commission for purposes of carrying out the duties of the Commission under this title. The actions of any such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(3) Any member, agent, or staff of the Commission may, if authorized by the co-chairs of the Commission, take any action which the Commission is authorized to take pursuant to this title.

SEC. 703. DUTIES OF COMMISSION.

(a) IN GENERAL.—The duties of the Commission shall be—

(1) to conduct, until not later than the date on which the Commission submits the report under section 708(a), the review described in subsection (b); and

(2) to submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report on the results of the review.

(b) REVIEW.—The Commission shall review the current organization, practices, and authorities of the NRO, in particular with respect to—

(1) roles and mission;

(2) organizational structure;

(3) technical skills;

(4) contractor relationships;

(5) use of commercial imagery;

(6) acquisition of launch vehicles, launch services, and launch infrastructure, and mission assurance;

(7) acquisition authorities; and

(8) relationships with other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION.

(a) IN GENERAL.—(1) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title—

(A) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths, and

(B) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents,

as the Commission or such designated subcommittee or designated member considers necessary.

(2) Subpoenas may be issued under paragraph (1)(B) under the signature of the co-chairs of the Commission, and may be served by any person designated by such co-chairs.

(3) The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192-194) shall apply in the case of any failure of a witness to comply with any subpoena or to testify when summoned under authority of this section.

(b) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in advance in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this title.

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this title. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request of the co-chairs of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(d) ASSISTANCE FROM FEDERAL AGENCIES.—(1) The Director of Central Intelligence shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, staff, facilities, and other support services as are necessary for the performance of the Commission's duties under this title.

(2) The Secretary of Defense may provide the Commission, on a nonreimbursable basis, with such administrative services, staff, and other support services as the Commission may request.

(3) In addition to the assistance set forth in paragraphs (1) and (2), other departments and agencies of the United States may provide the Commission such services, funds, facilities, staff, and other support as such departments and agencies consider advisable and as may be authorized by law.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this title, including the provision of full and current briefings and analyses.

(e) PROHIBITION ON WITHHOLDING INFORMATION.—No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(f) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(g) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property in carrying out its duties under this title.

SEC. 705. STAFF OF COMMISSION.

(a) IN GENERAL.—(1) The co-chairs of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III or chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2) Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(b) CONSULTANT SERVICES.—(1) The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of such title.

(2) All experts and consultants employed by the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES.

(a) COMPENSATION.—(1) Except as provided in paragraph (2), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this title.

(2) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay by reason of their service on the Commission.

(b) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY.

(a) IN GENERAL.—(1) The Director of Central Intelligence shall assume responsibility for the handling and disposition of any information related to the national security of the United States that is received, considered, or used by the Commission under this title.

(2) Any information related to the national security of the United States that is provided to the Commission by a congressional intelligence committee may not be further provided or released without the approval of the chairman of such committee.

(b) ACCESS AFTER TERMINATION OF COMMISSION.—Notwithstanding any other provision of law, after the termination of the Commission under section 708, only the Members and designated staff of the congressional intelligence committees, the Director of Central Intelligence and the designees of the Director, and such other officials of the executive branch as the President may designate shall have access to information related to the national security of the United States that is received, considered, or used by the Commission.

SEC. 708. FINAL REPORT; TERMINATION.

(a) FINAL REPORT.—Not later than November 1, 2000, the Commission shall submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report as required by section 703(a).

(b) TERMINATION.—(1) The Commission, and all the authorities of this title, shall terminate at the end of the 120-day period beginning on the date on which the final report under subsection (a) is transmitted to the congressional intelligence committees.

(2) The Commission may use the 120-day period referred to in paragraph (1) for the purposes of concluding its activities, including providing testimony to committees of Congress concerning the final report referred to in that paragraph and disseminating the report.

SEC. 709. ASSESSMENTS OF FINAL REPORT.

Not later than 60 days after receipt of the final report under section 708(a), the Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees an assessment by the Director or the Secretary, as the case may be, of the final report. Each assessment shall include such comments on the findings and recommendations contained in the final report as the Director or Secretary, as the case may be, considers appropriate.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.

(a) FEDERAL ADVISORY COMMITTEE ACT.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission under this title.

(b) FREEDOM OF INFORMATION ACT.—The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of

Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

SEC. 711. FUNDING.

(a) TRANSFER FROM NRO.—Of the amounts authorized to be appropriated by this Act for the National Reconnaissance Office, the Director of the National Reconnaissance Office shall transfer to the Director of Central Intelligence $5,000,000 for purposes of the activities of the Commission under this title.

(b) AVAILABILITY IN GENERAL.—The Director of Central Intelligence shall make available to the Commission, from the amount transferred to the Director under subsection (a), such amounts as the Commission may require for purposes of the activities of the Commission under this title.

(c) DURATION OF AVAILABILITY.—Amounts made available to the Commission under subsection (b) shall remain available until expended.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.

In this title, the term ''congressional intelligence committees'' means the following:

(1) The Select Committee on Intelligence of the Senate.

(2) The Permanent Select Committee on Intelligence of the House of Representatives.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

SEC. 801. SHORT TITLE.

This title may be cited as the ''Foreign Narcotics Kingpin Designation Act''.

SEC. 802. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.) to target and apply sanctions to 4 international narcotics traffickers and their organizations that operate from Colombia.

(3) IEEPA was successfully applied to international narcotics traffickers in Colombia and based on that successful case study, Congress believes similar authorities should be applied worldwide.

(4) There is a national emergency resulting from the activities of international narcotics traffickers and their organizations that threatens the national security, foreign policy, and economy of the United States.

(b) POLICY.—It shall be the policy of the United States to apply economic and other financial sanctions to significant foreign narcotics traffickers and their organizations worldwide to protect the national security, foreign policy, and economy of the United States from the threat described in subsection (a)(4).

SEC. 803. PURPOSE.

The purpose of this title is to provide authority for the identification of, and application of sanctions on a worldwide basis to, significant foreign narcotics traffickers, their organizations, and the foreign persons who provide support to those significant foreign narcotics traffickers and their organizations, whose activities threaten the national security, foreign policy, and economy of the United States.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS.

(a) PROVISION OF INFORMATION TO THE PRESIDENT.—The Secretary of the Treasury, the Attorney General, the Secretary of Defense, the Secretary of State, and the Director of Central Intelligence shall consult among themselves and provide the appropriate and necessary information to enable the President to submit the report under subsection (b). This information shall also be provided to the Director of the Office of National Drug Control Policy.

(b) PUBLIC IDENTIFICATION AND SANCTIONING OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS.—Not later than June 1, 2000, and not later than June 1 of each year thereafter, the President shall submit a report to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives; and to the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate—

(1) identifying publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and

(2) detailing publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title.

The report required in this subsection shall not include information on persons upon which United States sanctions imposed under this title, or otherwise on account of narcotics trafficking, are already in effect.

(c) UNCLASSIFIED REPORT REQUIRED.—The report required by subsection (b) shall be submitted in unclassified form and made available to the public.

(d) CLASSIFIED REPORT.—(1) Not later than July 1, 2000, and not later than July 1 of each year thereafter, the President shall provide the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate with a report in classified form describing in detail the status of the sanctions imposed under this title, including the personnel and resources directed towards the imposition of such sanctions during the preceding fiscal year, and providing background information with respect to newly-identified significant foreign narcotics traffickers and their activities.

(2) Such classified report shall describe actions the President intends to undertake or has undertaken with respect to such significant foreign narcotics traffickers.

(3) The report required under this subsection is in addition to the President's obligations to keep the intelligence committees of Congress fully and currently informed pursuant to the provisions of the National Security Act of 1947.

(e) EXCLUSION OF CERTAIN INFORMATION.—

(1) INTELLIGENCE.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the identity of any person, if the Director of Central Intelligence determines that such disclosure could compromise an intelligence operation, activity, source, or method of the United States.

(2) LAW ENFORCEMENT.—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the name of any person if the Attorney General, in coordination as appropriate with the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, and the Secretary of the Treasury, determines that such disclosure could reasonably be expected to—

(A) compromise the identity of a confidential source, including a State, local, or foreign agency or authority or any private institution that furnished information on a confidential basis;

(B) jeopardize the integrity or success of an ongoing criminal investigation or prosecution;

(C) endanger the life or physical safety of any person; or

(D) cause substantial harm to physical property.

(f) NOTIFICATION REQUIRED.—(1) Whenever either the Director of Central Intelligence or the Attorney General makes a determination under subsection (e), the Director of Central Intelligence or the Attorney General shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, and explain the reasons for such determination.

(2) The notification required under this subsection shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate not later than July 1, 2000, and on an annual basis thereafter.

(g) DETERMINATIONS NOT TO APPLY SANCTIONS.—(1) The President may waive the application to a significant foreign narcotics trafficker of any sanction authorized by this title if the President determines that the application of sanctions under this title would significantly harm the national security of the United States.

(2) When the President determines not to apply sanctions that are authorized by this title to any significant foreign narcotics trafficker, the President shall notify the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate not later than 21 days after making such determination.

(h) CHANGES IN DETERMINATIONS TO IMPOSE SANCTIONS.—

(1) ADDITIONAL DETERMINATIONS.—(A) If at any time after the report required under subsection (b) the President finds that a foreign person is a significant foreign narcotics trafficker and such foreign person has not been publicly identified in a report required under subsection (b), the President shall submit an additional public report containing the information described in subsection (b) with respect to such foreign person to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate.

(B) The President may apply sanctions authorized under this title to the significant foreign narcotics trafficker identified in the report submitted under subparagraph (A) as if the trafficker were originally included in the report submitted pursuant to subsection (b) of this section.

(C) The President shall notify the Secretary of the Treasury of any determination made under this paragraph.

(2) REVOCATION OF DETERMINATION.—(A) Whenever the President finds that a foreign person that has been publicly identified as a significant foreign narcotics trafficker in the report required under subsection (b) or this subsection no longer engages in those activities for which sanctions under this title may be applied, the President shall issue public notice of such a finding.

(B) Not later than the date of the public notice issued pursuant to subparagraph (A), the President shall notify, in writing and in classified or unclassified form, the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate of actions taken under this paragraph and a description of the basis for such actions.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS.

(a) APPLICABILITY OF SANCTIONS.—A significant foreign narcotics trafficker publicly identified in the report required under subsection (b) or (h)(1) of section 804 and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section shall be subject to any and all sanctions as authorized by this title. The application of sanctions on any foreign person pursuant to subsection (b) or (h)(1) of section 804 or subsection (b) of this section shall remain in effect until revoked pursuant to section 804(h)(2) or subsection (e)(1)(A) of this section or waived pursuant to section 804(g)(1).

(b) BLOCKING OF ASSETS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, there are blocked as of such date, and any date thereafter, all such property and interests in property within the United States, or within the possession or control of any United States person, which are owned or controlled by—

(1) any significant foreign narcotics trafficker publicly identified by the President in the report required under subsection (b) or (h)(1) of section 804;

(2) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection;

(3) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as owned, controlled, or directed by, or acting for or on behalf of, a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection; and

(4) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as playing a significant role in international narcotics trafficking.

(c) PROHIBITED TRANSACTIONS.—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, the following transactions are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any significant foreign narcotics trafficker so identified in the report required pursuant to subsection (b) or (h)(1) of section 804, and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, or has the effect of evading or avoiding, and any endeavor, attempt, or conspiracy to violate, any of the prohibitions contained in this title.

(d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.—Nothing in this title prohibits or otherwise limits the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) IMPLEMENTATION.—(1) The Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, is authorized to take such actions as may be necessary to carry out this title, including—

(A) making those designations authorized by paragraphs (2), (3), and (4) of subsection (b) of this section and revocation thereof;

(B) promulgating rules and regulations permitted under this title; and

(C) employing all powers conferred on the Secretary of the Treasury under this title.

(2) Each agency of the United States shall take all appropriate measures within its authority to carry out the provisions of this title.

(3) Section 552(a)(3) of title 5, United States Code, shall not apply to any record or information obtained or created in the implementation of this title.

(f) JUDICIAL REVIEW.—The determinations, identifications, findings, and designations made pursuant to section 804 and subsection (b) of this section shall not be subject to judicial review.

SEC. 806. AUTHORITIES.

(a) IN GENERAL.—To carry out the purposes of this title, the Secretary of the Treasury may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(1) investigate, regulate, or prohibit—

(A) any transactions in foreign exchange, currency, or securities; and

(B) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interests of any foreign country or a national thereof; and

(2) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent, or prohibit any acquisition, holding, withholding, use, transfer, withdrawal, transportation, placement into foreign or domestic commerce of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(b) RECORDKEEPING.—Pursuant to subsection (a), the Secretary of the Treasury may require recordkeeping, reporting, and production of documents to carry out the purposes of this title.

(c) DEFENSES.—

(1) Full and actual compliance with any regulation, order, license, instruction, or direction issued under this title shall be a defense in any proceeding alleging a violation of any of the provisions of this title.

(2) No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to, and in reliance on this title, or any regulation, instruction, or direction issued under this title.

(d) RULEMAKING.—The Secretary of the Treasury may issue such other regulations or orders, including regulations prescribing recordkeeping, reporting, and production of documents, definitions, licenses, instructions, or directions, as may be necessary for the exercise of the authorities granted by this title.

SEC. 807. ENFORCEMENT.

(a) CRIMINAL PENALTIES.—(1) Whoever willfully violates the provisions of this title, or any license rule, or regulation issued pursuant to this title, or willfully neglects or refuses to comply with any order of the President issued under this title shall be—

(A) imprisoned for not more than 10 years,

(B) fined in the amount provided in title 18, United States Code, or, in the case of an entity, fined not more than $10,000,000,

or both.

(2) Any officer, director, or agent of any entity who knowingly participates in a violation of the provisions of this title shall be imprisoned for not more than 30 years, fined not more than $5,000,000, or both.

(b) CIVIL PENALTIES.—A civil penalty not to exceed $1,000,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this title.

(c) JUDICIAL REVIEW OF CIVIL PENALTY.—Any penalty imposed under subsection (b) shall be subject to judicial review only to the extent provided in section 702 of title 5, United States Code.

SEC. 808. DEFINITIONS.

As used in this title:

(1) ENTITY.—The term ''entity'' means a partnership, joint venture, association, corporation, organization, network, group, or subgroup, or any form of business collaboration.

(2) FOREIGN PERSON.—The term ''foreign person'' means any citizen or national of a foreign state or any entity not organized under the laws of the United States, but does not include a foreign state.

(3) NARCOTICS TRAFFICKING.—The term ''narcotics trafficking'' means any illicit activity to cultivate, produce, manufacture, distribute, sell, finance, or transport narcotic drugs, controlled substances, or listed chemicals, or otherwise endeavor or attempt to do so, or to assist, abet, conspire, or collude with others to do so.

(4) NARCOTIC DRUG; CONTROLLED SUBSTANCE; LISTED CHEMICAL.—The terms ''narcotic drug'', ''controlled substance'', and ''listed chemical'' have the meanings given those terms in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(5) PERSON.—The term ''person'' means an individual or entity.

(6) UNITED STATES PERSON.—The term ''United States person'' means any United States citizen or national, permanent resident alien, an entity organized under the laws of the United States (including its foreign branches), or any person within the United States.

(7) SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER.—The term ''significant foreign narcotics trafficker'' means any foreign person that plays a significant role in international narcotics trafficking, that the President has determined to be appropriate for sanctions pursuant to this title, and that the President has publicly identified in the report required under subsection (b) or (h)(1) of section 804.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS.

Section 212(a)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(C)) is amended to read as follows:

''(C) CONTROLLED SUBSTANCE TRAFFICKERS.—Any alien who the consular officer or the Attorney General knows or has reason to believe—

''(i) is or has been an illicit trafficker in any controlled substance or in any listed chemical (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), or is or has been a knowing aider, abettor, assister, conspirator, or colluder with others in the illicit trafficking in any such controlled or listed substance or chemical, or endeavored to do so; or

''(ii) is the spouse, son, or daughter of an alien inadmissible under clause (i), has, within

the previous 5 years, obtained any financial or other benefit from the illicit activity of that alien, and knew or reasonably should have known that the financial or other benefit was the product of such illicit activity,

is inadmissible.''.

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Judicial Review Commission on Foreign Asset Control'' (in this section referred to as the ''Commission'').

(b) MEMBERSHIP AND PROCEDURAL MATTERS.—(1) The Commission shall be composed of five members, as follows:

(A) One member shall be appointed by the Chairman of the Select Committee on Intelligence of the Senate.

(B) One member shall be appointed by the Vice Chairman of the Select Committee on Intelligence of the Senate.

(C) One member shall be appointed by the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives.

(D) One member shall be appointed by the Ranking Minority Member of the Permanent Select Committee on Intelligence of the House of Representatives.

(E) One member shall be appointed jointly by the members appointed under subparagraphs (A) through (D).

(2) Each member of the Commission shall, for purposes of the activities of the Commission under this section, possess or obtain an appropriate security clearance in accordance with applicable laws and regulations regarding the handling of classified information.

(3) The members of the Commission shall choose the chairman of the Commission from among the members of the Commission.

(4) The members of the Commission shall establish rules governing the procedures and proceedings of the Commission.

(c) DUTIES.—The Commission shall have as its duties the following:

(1) To conduct a review of the current judicial, regulatory, and administrative authorities relating to the blocking of assets of foreign persons by the United States Government.

(2) To conduct a detailed examination and evaluation of the remedies available to United States persons affected by the blocking of assets of foreign persons by the United States Government.

(d) POWERS.—(1) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

(2) The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this section. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request of the chairman of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(3) The Attorney General and the Secretary of the Treasury shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, facilities, and other support services as are necessary for the performance of the Commission's duties under this section.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this section, including the provision of full and current briefings and analyses.

(5) No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(6) The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(e) STAFF.—(1) Subject to paragraph (2), the chairman of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III or chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2)(A) Any employee of a department or agency referred to in subparagraph (B) may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(B) The departments and agencies referred to in this subparagraph are as follows:

(i) The Department of Justice.

(ii) The Department of the Treasury.

(iii) The Central Intelligence Agency.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(f) COMPENSATION AND TRAVEL EXPENSES.—(1)(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this section.

(B) Members of the Commission who are officers or employees of the United States shall receive no additional pay by reason of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) REPORT.—(1) Not later than one year after the date of the enactment of this Act, the Commissions shall submit to the committees of Congress referred to in paragraph (4) a report on the activities of the Commission under this section, including the findings, conclusions, and recommendations, if any, of the Commission as a result of the review under subsection (c)(1) and the examination and evaluation under subsection (c)(2).

(2) The report under paragraph (1) shall include any additional or dissenting views of a member of the Commission upon the request of the member.

(3) The report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(4) The committees of Congress referred to in this paragraph are the following:

(A) The Select Committee on Intelligence and the Committees on Foreign Relations and the Judiciary of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committees on International Relations and the Judiciary of the House of Representatives.

(h) TERMINATION.—The Commission shall terminate at the end of the 60-day period beginning on the date on which the report required by subsection (g) is submitted to the committees of Congress referred to in that subsection.

(i) INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.—(1) The provisions of the Federal Advisory Committee Act (5.S.C. App.) shall not apply to the activities of the Commission under this section.

(2) The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

(j) FUNDING.—The Attorney General shall, from amounts authorized to be appropriated to the Attorney General by this Act, make available to the Commission $1,000,000 for purposes of the activities of the Commission under this section. Amounts made available to the Commission under the preceding sentence shall remain available until expended.

SEC. 811. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

PORTER GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
NANCY PELOSI,
SANFORD BISHOP, Jr.,
NORMAN SISISKY,
GARY CONDIT.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
ROBERT E. ANDREWS,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
BOB KERREY,
RICHARD G. LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG.

From the Committee on Armed Services:

JOHN WARNER,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and the intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and

the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendments struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The managers agree that the congressionally directed actions described in the respective committee reports or classified annexes should be undertaken to the extent that such congressional directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 1555.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS

Section 101 of the conference report report lists the departments, agencies, and other elements of the United States Government for whose intelligence and intelligence related activities the Act authorizes appropriations for fiscal year 2000. Section 101 is identical to section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 2000 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The details of the Schedule are explained in the classified annex to this report. Section 102 is similar to section 102 of the House bill and section 102 of the Senate amendment.

SEC. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 2000 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only when doing so is necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the two intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistence with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account for the Director of Central Intelligence and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2000.

Subsection (a) authorizes appropriations of $170,672,000 for fiscal year 2000 for the activities of the Community Management Account (CMA) of the Director of Central Intelligence.

The House bill and the Senate amendment were nearly identical.

The Senate amendment, however, contained a provision earmarking funds from the CMA for the Information Security Oversight Office (ISOO). The House bill did not include a similar provision. The House recedes to the Senate position with a modification. The managers have agreed to delete the provision earmarking Community Management funds for the ISOO. The managers agree that authorizing funds from the CMA for the ISOO is an inappropriate allocation of intelligence community funds.

Subsection (b) authorizes 347 full-time personnel for the Community Management Staff for fiscal year 2000 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government.

Subsection (c) authorizes additional appropriations and personnel for the Community Management Account as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2001.

Subsection (d) requires, except as provided in Section 113 of the National Security Act of 1947 or for temporary situations of less than one year, that personnel from another element of the United States Government be detailed to an element of the Community Management Account on a reimbursable basis.

Subsection (e) authorizes $27,000,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC).

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999

Section 105 specifically authorizes, for purposes of section 504 of the National Security Act of 1947, those intelligence and intelligence-related activities that were deemed to have been authorized, pursuant to that section, through the 1999 Emergency Supplemental Appropriations Act (P.L 106–31). A provision similar to section 105 was included in the House bill but was not included in the Senate amendment. The Senate recedes to the House position. The managers agreed to include this provision based on the requirements of section 504 of the National Security Act of 1947.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the House bill and section 201 of the Senate amendment.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the House bill and section 301 of the Senate amendment.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the House bill and section 302 of the Senate amendment.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

Section 303 of the conference report limits the establishment, operation, or maintenance of Diplomatic Intelligence Support Centers (DISCs) in fiscal year 2000 and precludes the obligation or expenditure of any funds appropriated for fiscal year 2000 for any purpose related to DISCs, without the prior approval of the Director of Central Intelligence (DCI).

The managers direct that prior to any NFIP funds being spent to establish a DISC, the DCI must, within three days of his approval of the establishment of a DISC, advise the congressional intelligence committees of his determination that the approved DISC is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers learned of efforts by the Department of State to establish a DISC and found the concept unwise. The managers are not convinced that the DISC model is an appropriate means for providing intelligence support to diplomatic missions. This is specifically so where there is already ample intelligence support at the disposal of the chief of a diplomatic mission. Nothwithstanding this provision limiting the establishment, operation, or maintenance of DISCs, the managers strongly believe that intelligence support to diplomatic missions is one of the very highest intelligence priorities.

Nothing in this provision precludes the Department of State from deploying Bureau of Intelligence and Research analysts to any location where the Secretary of State determines there is a need for such support. Likewise, this provision does not inhibit the Director of Central Intelligence from deciding the appropriate level of, or the manner in which, intelligence support to U.S. diplomatic missions shall be accomplished. The managers have specifically identified in the classified annex to this conference report the type of intelligence support that is unaffected by this provision.

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House with a modification replacing the mandatory minimum sentencing provision in the House bill with a provision specifying that terms of imprisonment imposed under the section shall be served consecutively to any other sentence of imprisonment.

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 307. TECHNICAL AMENDMENT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE

The Senate amendment contained a similar provision. the House bill did not. the House recedes to the Senate position.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE

The House bill and Senate amendment contained similar provisions. The Senate recedes to the House provision with a modification.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE

Section 311 requires the Director of Central Intelligence to submit a report to the appropriate committees of Congress no later than nine months after this Act is enacted describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the assassination of President Salvador Allende in September 1973; the accession of General Augusto Pinochet to the Presidency of the Republic of Chile; and, violations of human rights committed by officers or agents of former President Pinochet.

The conferees note that the National Security Council on February 1, 1999, directed the Departments of State, Justice, and Defense; the Central Intelligence Agency; and the National Archives to compile and review for public release all documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile. In addition, the conferees note that the Department of Justice is conducting a search for documents pertaining to the requests of the Spanish court investigating the abuses of the Pinochet regime. The managers expect the appropriate committees of Congress, as set forth in this section, to be given access to the documents responsive to these two searches, whether classified or publicly released.

Section 311 is similar to Section 306(a) of the House bill but provides additional time for the submission of the report.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position with a modification upon the insistence of the Senate.

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position, with a modification.

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position, upon the insistence of the Senate.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position, with a modification making this amendment to title 50, United States Code, rather than in title 10, United States Code.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. EXPANSION OF DEFINITION OF ''AGENT OF A FOREIGN POWER'' FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

SEC. 701. FINDINGS

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers determined that an independent review of the National Reconnaissance Office (NRO) must be conducted to ensure that the National Reconnaissance Office (NRO) must be conducted to ensure that the Intelligence Community will acquire the most efficient, technologically capable, and economical satellite collection systems, and that the national policymakers and military leaders receive the intelligence they require to keep our nation secure. Therefore, the managers have included a provision creating the Commission for the Review of the National Reconnaissance Office.

The managers agreed that the functions and missions carried out by the NRO are essential to the provision of timely intelligence to policymakers and military leaders. However, the changing threat environment and emerging technologies have altered both what information satellites can collect and how they collect it. Additionally, Congress wants to ensure that future generations of intelligence collection satellites both perform to their requirements and are purchased at a fair cost to the taxpayer.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

The Commission will have eleven members. The Majority Leader of the Senate and the Speaker of the House, in consultation with the Chairman of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence, will each appoint one commission member from their respective Chamber and two from private life. The Minority Leaders of the Senate and House, in consultation with the Vice Chairman of the Senate Select Committee on Intelligence and the ranking member of the House Permanent Select Committee on Intelligence, will each appoint one commission member from their respective Chamber and one from private life. Additionally, the Deputy Director of Central Intelligence for Community Management will be a voting member of the Commission and the Director of the National Reconnaissance Office will be an ex officio, i.e., nonvoting, member of the Commission.

The managers have included requirements that individuals appointed to the Commission will have experience and expertise in technical intelligence collection systems and methods; research and development programs; acquisition management; use of intelligence information by national policymakers and military leaders; and/or the implementation, funding, or oversight of the national security policies of the United States.

The Co-Chairs of the Commission will be selected from among the members of the Commission and agreed upon by the President, the Majority and Minority Leaders of the Senate, and the Speaker and Minority Leader of the House.

SEC. 703. DUTIES OF COMMISSION

The Commission is tasked with reviewing the roles and mission of the NRO; its organizational structure; technical skills of its employees; its contractor relationships; its use of commercial imagery; its acquisition of launch vehicles, launch services, launch infrastructure, and mission assurance; its acquisition authorities; and the relationship to other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION

The Commission is authorized to hold hearings, receive testimony from witnesses, receive information from federal agencies, and receive assistance from the Director of Central Intelligence and the Secretary of Defense in order to discharge its duties under this title.

SEC. 705. STAFF OF COMMISSION

The Commission is authorized to hire staff, procure consultant services, and receive assistance from Federal Government employees detailed to the Commission in order to discharge its duties under this title.

The managers agree that any member of the Commission is authorized to designate his or her staff to serve as liaison staff to the Commission. Liaison staff are required to possess the requisite security clearances before being given any access to classified information. Liaison staff shall have the same access to the information considered by the Commission as staff directly hired by the Commission.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES

Members of the Commission are authorized to be compensated and be allowed travel expenses for the performance of their duties under this title.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY

The Director of Central Intelligence shall assume responsibility for the handling and disposition of national security information received, considered, and used by Commission.

SEC. 708. FINAL REPORT; TERMINATION

The Commission is to produce a report with recommendations to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of

Defense by November 1, 2000. A copy of this report shall also be made available to the committees on Armed Services of the Senate and the House of Representatives.

The managers realize that the nature of the subject matter involved in a review of the NOR may of necessity require that Classified report be produced, but believe strongly that an unclassified report should also be made available to the public.

SEC. 709. ASSESSMENTS OF FINAL REPORT

The Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees as assessment of the report of the Commission within 30 days of receipt of the report. A copy of these assessments shall also be made available to the Commission on Armed Services of the Senate and the House of Representatives.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS

The provisions of the Federal advisory Committee Act and the Freedom of Information Act shall not apply to the activities of the Commission.

SEC. 711. FUNDING

The Director of Central Intelligence shall make available for purposes of the activities of the Commission $5.0 million from the amounts authorized to be appropriated by this Act for the National Reconnaissance Office.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED

The congressional intelligence committees referred to in this title refer to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.

TITLE VIII—BLOCKING ASSETS OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS

SEC. 801. SHORT TITLE

This section provides the short title for this title: ''Foreign Narcotics Kingpin Designation Act.''

SEC. 802. FINDINGS AND POLICY

The provisions in title VIII are intended to be global in scope—not country-specific—and specifically focus on the major cocaine, heroin, marijuana, amphetamine, and emerging synthetic narcotics produced and sold by foreign narco-trafficking organizations. The managers believe that the enactment of these provisions will encourage U.S. law enforcement an intelligence agencies to better coordinate their efforts against the leaders of the world's most dangerous multinational criminal organizations. This initiative will assist U.S. Government efforts to identify the assets, financial networks, and business associates of major narcotics trafficking groups. If effectively implemented, this strategy will disrupt these criminal organizations and bankrupt their leadership.

The provisions in this title are intended to supplement—not to replace—the United States' policy of annual certification of countries based on their performance in combating narcotics trafficking. This title will properly focus our Government's efforts against the specific individuals most responsible for trafficking in illegal narcotics by attacking their sources of income and undermining their efforts to launder the profits generated by drug-trafficking into legitimate business activities.

The intention of this legislation is to strengthen the ability of United States law enforcement effectively to target international narcotics traffickers attaching the fabric of our society. The legislation is based on the successful application of the International emergency Economic Powers Act (IEEPA) against Colombian narcotics traffickers. There is no intention that this legislation affect Americans who are not knowingly and willfully engaged in international narcotics trafficking. Nor is it intended in any way to derogate from existing constitutional and statutory due process protections for those whose assets are blocked or seized pursuant to law.

SEC. 803. PURPOSE

The legal precedent for this title was the successful application of sanctions in 1995 and 1996 against the Cali Cartel narco-trafficking organization and its key leaders. Executive Order 12978, issued by the Clinton Administration in October 1995, had the effect of dismantling and defunding numerous business entities conclusively tied to the Cali Cartel. Relying on the authorities provided within the IEEPA, President Clinton found that the activities of several Specially Designated Narcotics Traffickers (SDNTs) constituted an unusual and extraordinary threat to the United States' national security, foreign policy, and economy. In a June 1998 publication of the Treasury Department, the SDNT program was described as follows:

Companies and individuals are identified as SDNTs and placed on the SDNT list if they are determined, (a) to play a significant role in international narcotics trafficking centered in Colombia, (b) to materially assist in or provide financial or technological support for, or goods and services in support of, the narcotics trafficking activities of persons designated in or pursuant to the executive order, or (c) to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to Executive order 12978. The objectives of the SDNT program are to identify, expose, isolate and incapacitate the businesses and agents of the Colombian cartels and to deny them access to the U.S. financial system and to the benefits of trade and transactions involving United States businesses and individuals.

Coordinated law enforcement efforts by the U.S. and Colombian Governments in support of these sanctions put the Cali Cartel kingpins out of business. This legislation is intended to follow up on the success of the Colombian SDNT precedent by applying similar U.S. Government authorities and resources against significant foreign narcotics traffickers around the globe—including, but not limited to, major narcotics traffickers and trafficking organizations based in Afghanistan, Bolivia, Burma, Colombia, Dominican Republic, Laos, Mexico, Pakistan, People's Republic of China, Peru, Russia, and Thailand.

The bottom line objective of these provisions is to bankrupt and disrupt the major narcotics trafficking organizations. The targets of this legislation are not only the drug kingpins, but those involved in their illicit activities, such as: money laundering, acquiring chemical precursors to manufacture narcotics, manufacturing the drugs, transporting narcotics from the drug source countries to the United States, and managing the assets of these criminal enterprises.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS

This section requires the Secretary of the Treasury—in consultation with the Attorney General, the Director of Central Intelligence, the Secretary of Defense, and the Secretary of State—to provide the appropriate and necessary information to enable the President to prepare the congressionally-mandated classified and unclassified reports on significant foreign narcotics traffickers. The President then shall make the determination to formally designate any significant foreign narcotics traffickers on June 1, 2000 (and not later than June 1st of each year thereafter) as constituting an unusual and extraordinary threat to the national security, foreign policy and the economy of the United States. On June 1, 2000 (and not later than June 1st of each year thereafter), the President shall submit an unclassified report to the Committees on Intelligence, International Relations, Judiciary, Armed Services, and Ways and Means of the House of Representatives, and the Committees on Intelligence, Foreign Relations, Judiciary, Armed Services, and Finance of the Senate for official review. This unclassified report shall: (1) identify publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and (b) detail publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title. Individuals and entities linked to major narcotics trafficking groups may be added to or withdrawn from the kingpins' list by the President at any time during the year.

The managers expect that the President will provide a classified report on July 1, 2000 (and not later than July 1st of each year thereafter) to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence detailing the overall status of the program, including personnel and resources directed towards the program, and providing background information with respect to newly identified significant foreign narcotics traffickers and their activities. The managers intend that the executive branch shall provide a detailed briefing after publication of the annual classified report with respect to its findings.

If the Director of Central Intelligence or the Attorney General make a determination not to designate a foreign individual on the Global Kingpins list due to a possible compromise of intelligence or law enforcement sources and methods, the legislation requires that they shall notify the House and Senate Intelligence Committees delineating the basis of their determination. A formal notification of a determination not to designate shall be provided to the House and Senate Intelligence Committees not later than July 1, 2000, and on an annual basis thereafter.

As a general matter, it is contemplated that the Director of Central Intelligence, the Attorney General, and the Secretary of the Treasury will determine to exclude the name of an individual from the Global Kingpins list only: (1) under circumstances where the mere appearance of the name on the list could compromise an intelligence source or method; (2) could reasonably be expected to disclose the identity of a confidential law enforcement source; (3) would disclose techniques and procedures for law enforcement prosecutions; (4) could reasonably be expected to endanger the life or physical safety of any individual; or (5) where there is an insufficient basis upon which to rely to support that individual's inclusion.

A similar version of this legislation, offered in the House as the ''Drug Kingpins Bankruptcy Act of 1999,'' established a precedent for the future content and scope of the Global Kingpins list, by specifically identifying the first group of twelve of the world's most significant narco-traffickers from Burma, the Caribbean Region, Colombia, Mexico and Thailand. The first proposed Global Kingpins/SDNT list was developed in consultation with the Drug Enforcement Administration, the Federal Bureau of investigation, the State Department, the Treasury Department, and the Central Intelligence Agency's Crime and Narcotics Center.

The managers also believe that the annual unclassified and classified reports to the

Congress will serve as vital oversight tools by providing additional data for the annual drug certification process. The certification process requires the President to certify on March 1st of each year the level of cooperation that the United States Government is receiving from major drug producing and major transit nations. The action or lack of action by both the Administration and these nations on the ''majors list'' with respect to the drug kingpins will become a significant annual indicator of counterdrug cooperation.

The managers note that the Colombian Kingpins/SDNT initiative under Executive Order 12978 in October 1995 was prepared within 6 months and was based upon information already collected on these kingpins and their operations. The managers recognize that the implementation of the Global Kingpins list will require significant additional resources and personnel from the intelligence and law enforcement communities. The managers urge that the Administration provide significant additional funding in the FY2001 Budget for the Treasury Department's Office of Foreign Assets Control (OFAC) to fully implement the Global Kingpins program in 2000 on a worldwide basis. As an interim measure, the managers recommend that the Treasury Department's Office of Foreign Assets Control receive analytical assistance and technical support from the Treasury Department's Office of Intelligence Support, the Justice Department's National Drug Intelligence Center, and the CIA's Crime and Narcotics Center.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS

The effect of this provision will be to block all property and interests in property within the United States that are under the direct or indirect ownership or control of significant foreign narcotics traffickers. Second, it will block all assets of any foreign persons who materially assist, provide financial or technical support, or offer goods and services to such significant foreign narcotics traffickers. Third, it will block the assets of any foreign persons, who are determined by the United States Government as controlled by or acting on behalf of significant foreign narcotics traffickers. Fourth, it will block the assets of any foreign persons that the Secretary of the Treasury—in consultation with the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of State, and the Secretary of Defense—designates as playing a significant role in international narcotics trafficking.

The sanctions that would take effect against the kingpins designated by the President, and their organizations and subordinates, would include the following:

(a) All assets of the kingpins and their organizations and subordinates subject to United States jurisdiction would be blocked; other law enforcement tools such as seizure and forfeiture would be available if appropriate.

(b) U.S. individuals and companies would be prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any of the named kingpins and their organizations and subordinates.

Following the Colombia IEEPA–SDNT precedent, the Secretary of the Treasury will have the authority to determine and list persons and entities deemed to be materially assisting in, providing financial or technological support for, or providing goods or services in support of the narcotics trafficking activities of significant foreign narcotics traffickers. In order to develop this second-level list of facilitating persons and entities, the Secretary of the Treasury will rely on information collected by the U.S. intelligence and law enforcement communities as well as on information provided by foreign government intelligence and law enforcement organizations. This information must pass through a rigorous interagency review process; the information must be material, factual and verifiable, and able to withstand scrutiny in a United States Federal Court. The success of the Colombia IEEPA–SDNT program has largely been the product of close U.S. cooperation with Colombian law enforcement and regulatory agencies. It is expected that global implementation of the kingpins list will promote closer U.S. cooperation with foreign law enforcement and regulatory agencies.

As with the Colombia IEEPA–SDNT program, the Secretary of the Treasury will issue all necessary administrative regulations and specifications to implement the Kingpins program on a global basis. Notification of United States persons and entities linked to significant foreign narcotics traffickers will also follow the precedents established under the Colombia IEEPA–SDNT program. Due to threats made against the U.S. officials responsible for implementation of the Colombia SDNT program, records and information obtained or created in the preparation of the Global Kingpins/SDNT list as well as the specific details on the implementation of sanctions against significant foreign narcotics traffickers would be exempted from the Freedom of Information Act.

All SDNT programs require that such designations pass an ''arbitrary and capricious'' test; and all designations are based upon a non-criminal standard of ''reasonable cause to believe'' that the party is owned or controlled by, or acts, or purports to act, for or on behalf of the sanctioned non-state party. Furthermore, the Colombia IEEPA–SDNT executive order uses an additional designation basis for foreign firms or individuals that ''materially * * * assist in or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities'' of the named drug kingpins or other, already designated SDNTs.

In implementing the Colombia IEEPA–SDNT program, OFAC analysts identify and research foreign targets that can be linked by evidence to individuals or entities already designated pursuant to E.O. 12978. To establish sufficient linkage, OFAC initially relied upon a significant body of documentary evidence through criminal law enforcement raids and seizures. The President's involvement was required in the designation of the original four Cali cartel kingpins named in the annex to E.O. 12978. Additional kingpin listings in Colombia have been developed through close coordination between OFAC and the Department of Justice, and the preponderance of Colombian SDNTs have been designated as a product of OFAC's research and collection efforts.

In the Colombia IEEPA–SDNT program, OFAC has reached designation determinations only after extensive reviews of the evidence internally and with the Department of Justice. E.O. 12978 has required that the State and Justice Departments be consulted by the Treasury prior to a designation. As noted above, Justice is deeply involved in examining the sufficiency of the evidence that occurs before any parties are added to the list.

OFAC regulations provide for post-designation review and remedies. The usual forum for considering removal of a designation (such as a change in circumstances or behavior) is one in which the named person or entity petitions OFAC for removal. Most petitioners initiate the review process simply by writing OFAC. Exchanges of correspondence, additional fact-finding and meetings occur before OFAC decides whether there is a basis for removal. Although a number of persons have been removed through this means, only a very few persons or entities on the SDNT and other SDNT lists have ever petitioned for removal. Federal courts have held that no pre-deprivation hearing is required in blocking of assets because of the Executive Branch's plenary authority to act in the area of foreign policy and the obvious need to take immediate action upon designation to avoid dissipation of affected assets.

SEC. 806. AUTHORITIES

This section generally restates the applicable provisions of the International Economic Emergency Powers Act.

SEC. 807. ENFORCEMENT

This section generally restates the applicable provisions of the Trading with the Enemy Act.

SEC. 808. DEFINITIONS

This section defines specific terms used in this title.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS

This section restates the applicable provisions of the Immigration and Nationality Act of 1952 as amended in 8 U.S.C. 1182(a)(2)(c). Designation on this list will result in the denial of visas and inadmissibility of specially designated narcotics traffickers, their immediate families, and their business associates.

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL

This section creates a commission to review the current judicial, regulatory, and administrative authorities under which the United States government blocks assets of foreign persons and to provide a detailed constitutional examination and evaluation of remedies available to United States persons affected by the blocking of assets of foreign persons. The commission is required to report back to Congress no later than one year after the date of enactment of this act on its findings, conclusions, and recommendations, if any, on the matters under their review. The managers believe that the public interest can best be served if the commission can reach consensus on its conclusions. The managers acknowledge, however, that consensus may not be able to reach on the significant issues on which the commission will deliberate. To that end, therefore, the managers have provided that the report to be submitted to Congress at the end of the commission's review period shall include all additional or dissenting views, if any.

Four of the commission members are to be appointed by the Chairmen and Ranking Democrats of the congressional intelligence committees. The fifth member of the Commission shall be appointed by the four members of the commission appointed by the intelligence committee Chairmen and Ranking Democrats. The commission shall also be provided the cooperation and assistance that it requests from any agency in the federal government.

The managers are determined to ensure that the judicial, regulatory, and administrative remedies and procedures available to U.S. persons affected by the blocking of assets of foreign persons pass constitutional muster. As expected, the managers concern centers on the fundamental question of due process and whether that principle is affirmed and sustained in the execution of this legislation. The managers expect the members of the Commission to examine and report on at least the following constitutional and other issues:

(1) whether reasonable protections of innocent U.S. businesses are available under the regime currently in place that is utilized to carry out the provisions of the International Emergency Economic Powers Act (''IEEPA'');

(2) whether advance notice prior to blocking of one's assets is required as a matter of constitutional due process;

(3) whether there are reasonable opportunities under the current IEEPA regulatory regime and the Administrative Procedures Act for an erroneous blocking of assets or mistaken listing under IEEPA to be remedied;

(4) whether the level of proof that is required under the current judicial, regulatory, or administrative scheme is adequate to protect legitimate business interests from irreparable financial harm;

(5) whether there is constitutionally adequate accessibility to the courts to challenge agency actions under IEEPA, or the designation of persons or entities under IEEPA;

(6) whether there are remedial measures and legislative amendments that should be enacted to improve the current asset blocking scheme under IEEPA or this title; and

(7) whether the resources made available for the Office of Foreign Assets Control (''OFAC'') at the Department of Treasury in the fiscal year 2001 budget submission are adequate to carry out the provisions of this title or the other programs currently in effect under IEEPA.

SEC. 811. EFFECTIVE DATE

This section establishes the effective date for this title.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

PORTER GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
NANCY PELOSI,
SANFORD BISHOP, Jr.,
NORMAN SISISKY,
GARY CONDIT.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
ROBERT E. ANDREWS,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
BOB KERREY,
RICHARD G. LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG.

From the Committee on Armed Services:

JOHN WARNER,

Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. KANJORSKI (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. MCINNIS (at the request of Mr. ARMEY) for today on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STRICKLAND) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:

Mr. GUTKNECHT, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 225. An act to provide Federal housing assistance to Native Hawaiians; to the Committee on Banking and Financial Services.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information; to the Committee on Agriculture.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes; to the Committee on the Judiciary.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes; to the Committee on the Judiciary, in addition to the Committee on Education and the Workforce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes; to the Committee on the Judiciary.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the ''John H. Chafee Coastal Barrier Resources System''; to the Committee on Resources.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 75. Making further continuing appropriations for the fiscal year 2000, and for other purposes.

ADJOURNMENT

Mr. GUTKNECHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until Monday, November 8, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5193. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—Streamlining of Regulations for Real Estate and Chattel Appraisals (RIN: 0560–AF69) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5194. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—1999 Livestock Indemnity Program; 1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program (RIN: 0560–AF82) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5195. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Imported Fire Ants; Quarantined Areas and Treatment Dosage [Docket No. 99–078–1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5196. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Citrus Canker Regulations [Docket No. 99–080–1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5197. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of Defense, transmitting notification that the Commander of Cannon Air Force Base (AFB) New Mexico has conducted a cost comparison to reduce the cost of Military Family Housing Maintenance, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

5198. A letter from the Assistant Secretary of Defense, transmitting the ''Evaluation of the TRICARE Program FY 1999 Report to Congress''; to the Committee on Armed Services.

5199. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7723] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5200. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Labeling: Health Claims; Soy Protein

and Coronary Heart Disease [Docket No. 98P–0683] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5201. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption Polysorbate 60 [Docket No. 84F–0050] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5202. A letter from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services [CC Docket No. 94–54] Personal Communications Industry Assocaition's Broadband Personal Communications Services Alliance's Petition for Forebearance for Broadband Personal Communications Services Forbearance from Applying Provisions of the Communications Act to Wireless Telecommunications Carriers [WT Docket No. 98–100] Further Forbearance from Title II Regulation for Certain Types of Commercial Mobile Radio Services [GN Docket No. 94–33] Received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5203. A letter from the Director, Defense Cooperation Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia (Transmittal No. 03–00), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

5204. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to United Kingdom for defense articles and services (Transmittal No. 00–18), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5205. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 00–17), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5206. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Finland [Transmittal No. DTC 101–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5207. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the Czech Republic and Canada [Transmittal No. DTC 107–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5208. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed transfer of major defense equipment to the United Kingdom [Transmittal RSAT–2–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5209. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 106–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5210. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Turkey [Transmittal No. DTC 148–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5211. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Japan [Transmittal No. DTC 116–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5212. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with United Kingdom [Transmittal No. DTC 144–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5213. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Arab Emirates [Transmittal No. DTC 160–99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5214. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Brazil [Transmittal No. DTC 143–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5215. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 135–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5216. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 159–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5217. A letter from the Assistant Secretary, Bureau of Export Administration, transmitting the Administration's final rule—Exports to Kosovo [Docket No. 990923261–9261–01] (RIN: 0694–AB99) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5218. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Republic of Korea for defense articles and services (Transmittal No. 00–21); to the Committee on International Relations.

5219. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions And Deletions—received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5220. A letter from the Chairman, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the 1999 Annual Report; to the Committee on Government Reform.

5221. A letter from the Director Designee, Federal Mediation and Conciliation Service, transmitting the report on audit and investigations provisions of the Inspector General Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

5222. A letter from the Office of the Independent Counsel, transmitting the Annual Report on Audit and Investigative Activities, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5223. A letter from the Chair, United States Architectural and Transportation Barriers Compliance Board, transmitting the report in compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 5 app.; to the Committee on Government Reform.

5224. A letter from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule— National Sea Grant College Program—National Marine Fisheries Service Joint Graduate Fellowship Programs in Population Dynamics and Marine Resource Economics [Docket No. 990810211–9211–01] (RIN: 0648–ZA69) received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2547. A bill to provide for the conveyance of lands interests to Chugach Alaska Corporation to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act; with an amendment (Rept. 106–451). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3090. A bill to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, and for other purposes; with an amendment (Rept. 106–452). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 416. An act to direct the Secretary of Agriculture to convey the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility; with an amendment (Rept. 106–453). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1444. A bill to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho; with amendments (Rept. 106–454 Pt. 1). Ordered to be printed.

Mr. HYDE: Committee on the Judiciary. H.R. 1869. A bill to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes; with an amendment (Rept. 106–455). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Education and the Workforce. H.R. 3172. A bill to amend the welfare-to-work program and modify the welfare-to-work performance bonus; with an amendment (Rept. 106–456 Pt. 1). Ordered to be printed.

Mr. GOSS: Committee of Conference. Conference report on H.R. 1555. A bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106–457). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X, the Committee on Education and the Workforce discharged from further consideration. H.R. 3073 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 10, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. JACKSON of Illinois (for himself, Mr. FRANKS of New Jersey, Mr. KENNEDY of Rhode Island, Ms. LEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CHRISTENSEN, Mr. HILLIARD, Mr. GUTIERREZ, and Mr. OWENS):

H.R. 3232. A bill to direct the President to conduct a study of issues relating to the incorporation of online and Internet technologies in the voting process, and for other purposes; to the Committee on House Administration.

By Mr. JACKSON of Illinois (for himself, Mr. EVANS, Mrs. JONES of Ohio, Ms. NORTON, Ms. SCHAKOWSKY, Mr. CUMMINGS, and Mr. OWENS):

H.R. 3233. A bill to amend the Federal Rules of Criminal Procedure to allow a defendant to make a motion for forensic testing not available at trial regarding actual innocence; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 3234. A bill to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995; to the Committee on Education and the Workforce.

By Mr. BARRETT of Wisconsin (for himself and Mr. KLECZKA):

H.R. 3235. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours; to the Committee on the Judiciary.

By Mr. CANNON:

H.R. 3236. A bill to authorize the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District, Utah, to use Weber Basin Project facilities for the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes; to the Committee on Resources.

By Mrs. CUBIN:

H.R. 3237. A bill to provide for the exchange of certain lands within the State of Wyoming; to the Committee on Resources.

By Mr. CUMMINGS (for himself, Mr. HOYER, Mr. WYNN, Mr. CARDIN, Mrs. MORELLA, Mr. GILCHREST, Mr. EHRLICH, and Mr. BARTLETT of Maryland):

H.R. 3238. A bill to name certain facilities of the United States Postal Service in Baltimore, Maryland; to the Committee on Government Reform.

By Mr. DUNCAN:

H.R. 3239. A bill to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and amounts of any funds raised; to the Committee on Government Reform.

By Mr. GUTKNECHT (for himself, Mr. FOLEY, Mr. COBURN, and Mr. PAUL):

H.R. 3240. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States; to the Committee on Commerce.

By Mr. SANFORD:

H.R. 3241. A bill to direct the Secretary of the Interior to recalculate the franchise fee owed by Fort Sumter Tours, Inc., a concessioner providing service to Fort Sumter National Monument in South Carolina, and for other purposes; to the Committee on Resources.

By Mr. SCARBOROUGH (for himself and Mrs. THURMAN):

H.R. 3242. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Commerce.

By Mr. TERRY:

H.R. 3243. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 219: Mr. PETRI.

H.R. 220: Mr. KOLBE.

H.R. 408: Ms. BALDWIN.

H.R. 721: Mr. SMITH of Texas and Mr. BERMAN.

H.R. 750: Mr. MEEHAN.

H.R. 762: Mr. BURTON of Indiana, Mr. GEPHARDT, Mr. MEEHAN, Ms. BALDWIN, Mr. SCHAFFER, Mr. FORBES, Mr. BLUNT, Mr. MCINTOSH, Mr. PETERSON of Minnesota, Mr. SPENCE, Mr. KLECZKA, and Ms. ESHOO.

H.R. 984: Mr. VITTER.

H.R. 1032: Mr. WALDEN of Oregon.

H.R. 1168: Mr. RANGEL.

H.R. 1244: Mr. TOOMEY.

H.R. 1274: Ms. BERKLEY.

H.R. 1275: Mr. PORTER, Ms. BERKLEY, Mr. MEEHAN, Mr. GEJDENSON, Ms. ROYBAL-ALLARD, and Ms. LEE.

H.R. 1483: Mr. GOODLING.

H.R. 1591: Ms. BERKLEY.

H.R. 1645: Mr. ANDREWS and Ms. BERKLEY.

H.R. 1650: Mr. SPENCE, Mrs. TAUSCHER, Mr. LANTOS, Mr. MORAN of Virginia, and Mr. HINOJOSA.

H.R. 1769: Mrs. JONES of Ohio.

H.R. 1795: Mr. UDALL of Colorado and Mr. NORWOOD.

H.R. 1873: Ms. LOFGREN.

H.R. 1839: Mr. GREEN of Texas.

H.R. 1842: Mr. KILDEE.

H.R. 2053: Mr. RUSH and Mrs. MALONEY of New York.

H.R. 2129: Mr. FLETCHER, Mr. KANJORSKI, Mr. WELDON of Pennsylvania, Mr. SISISKY, Mr. BEREUTER, Mr. EWING, Mrs. TAUSCHER, and Mr. GUTKNECHT.

H.R. 2341: Mr. CUMMINGS, Mr. HAYES, and Mr. FRANK of Massachusetts.

H.R. 2405: Ms. ROYBAL-ALLARD.

H.R. 2486: Mr. MATSUI, Mr. KENNEDY of Rhode Island, and Mr. PAYNE.

H.R. 2655: Mr. JONES of North Carolina and Mr. WAMP.

H.R. 2715: Mr. PAUL.

H.R. 2749: Mr. ISAKSON.

H.R. 2757: Mr. HOEKSTRA.

H.R. 2842: Mr. ALLEN.

H.R. 2907: Mr. BILIRAKIS and Mr. FILNER.

H.R. 2953: Mr. MANZULLO.

H.R. 2966: Ms. CARSON, Mr. DEUTSCH, Mr. FRANK of Massachusetts, Mr. HALL of Texas, Mr. ISTOOK, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, and Mr. SMITH of New Jersey.

H.R. 3008: Mr. BOEHLERT, Mr. BORSKI, Mr. PAYNE, and Mr. BALDACCI.

H.R. 3058: Mr. LIPINSKI.

H.R. 3072: Mr. KLINK.

H.R. 3075: Mr. BLILEY, Mr. BILIRAKIS, Mrs. BONO, Mr. BILBRAY, Mr. BURR of North Carolina, Mr. OXLEY, Mr. SHADEGG, Mr. LAZIO, Mr. TAUZIN, Mr. COBURN, Mr. ROGAN, Mr. STEARNS, Mr. UPTON, Mr. WHITFIELD, Mr. GREENWOOD, and Mr. GILMOR.

H.R. 3082: Mr. TANNER.

H.R. 3105: Mr. RANGEL.

H.R. 3142: Mr. KILDEE.

H.R. 3180: Mr. BARCIA.

H.R. 3204: Mr. FORBES.

H. Con. Res. 62: Mr. LEWIS of Kentucky.

H. Con. Res. 89: Mr. MOORE.

H. Con. Res. 177: Mr. BROWN of Ohio, Mrs. MINK of Hawaii, Mr. LEWIS of Georgia, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Ms. KAPTUR, Ms. JACKSON-LEE of Texas, Mr. TOWNS, Mr. MEEKS of New York, Mr. WATT of North Carolina, Mr. HILLIARD, Ms. WATERS, Mr. MOAKLEY, Mr. MCDERMOTT, Mr. BALDACCI, Mr. CAPUANO, Mr. NEAL of Massachusetts, Mr. COYNE, Mr. MEEHAN, and Mr. CUMMINGS.

H. Con. Res. 216: Ms. MCKINNEY, Mr. RUSH, Mr. SWEENEY, Ms. STABENOW, Mr. ANDREWS, and Mrs. KELLY.

H. Res. 82: Mr. HOLT.

H. Res. 94: Mr. SNYDER.

H. Res. 325: Mr. ISAKSON.

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *106th* CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, NOVEMBER 5, 1999 *No. 155*

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

NOTICE

If the 106th Congress, 1st Session, adjourns sine die on or before November 10, 1999, a final issue of the Congressional Record for the 106th Congress, 1st Session, will be published on November 30, 1999, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through November 29. The final issue will be dated November 30, 1999, and will be delivered on Wednesday, December 1, 1999.

If the 106th Congress does not adjourn until a later date in 1999, the final issue will be printed at a date to be announced.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

Senators' statements should also be submitted electronically, either on a disk to accompany the signed statement, or by e-mail to the Official Reporters of Debates at "Records@Reporters".

Members of the House of Representatives' statements may also be submitted electronically by e-mail or disk, to accompany the signed statement, and formatted according to the instructions for the Extensions of Remarks template at http://clerkhouse.house.gov. The Official Reporters will transmit to GPO the template formatted electronic file only after receipt of, and authentication with, the hard copy, signed manuscript. Deliver statements (and template formatted disks, in lieu of e-mail) to the Official Reporters in Room HT–60.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman.*

NOTICE

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MICHAEL F. DiMARIO, *Public Printer.*

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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PRAYER

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

I commit my way to the Lord
And trust also in Him
And He shall bring it to pass
rest in the Lord and
Wait patiently for Him.—Psalm 37:5,7.

Blessed God, Your omniscience both comforts and alarms us. You know all about us: our strengths and weaknesses, our hopes and hurts. So often, instead of waiting patiently for You, we wait to commit our needs to You. Here we are at the end of another work week. There is work to be done before we can break for the weekend. Help us to believe that what we commit to You will come to pass if You deem it best for us. We need to experience the peace of mind and body that comes when we do what You guide us to do and leave the results to You.

Bless the Senators with the profound peace that comes from giving You their burdens and receiving Your resiliency and refreshment. May this be a great day because they, and all of us who work with them, decide to rest in Your presence and wait patiently for Your power to strengthen us. Through our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CONRAD BURNS, a Senator from the State of Montana, led the Pledge of Allegiance as follows:

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Montana is recognized.

SCHEDULE

Mr. BURNS. Mr. President, today the Senate will resume consideration of the bankruptcy reform legislation under the previous agreement. As a reminder, all first-degree amendments must be relevant with the exception of those specified in the agreement and must be filed by 5 p.m. today. The leader has announced that votes are possible during today's session on amendments to the bill or on finalizing the appropriations process. The leader also announced that there will be votes on Monday at 5:30 p.m. as well as on Tuesday morning at 10:30 a.m. The Tuesday morning votes will be on or in relation to the issues of minimum wage and business costs.

I thank my colleagues for their attention.

MEASURE PLACED ON CALENDAR

Mr. BURNS. Mr. President, I understand that there is a joint resolution at the desk due its second reading.

The PRESIDENT pro tempore. The clerk will read the resolution the second time.

The bill clerk read as follows:

A joint resolution (S.J. Res. 37) urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

Mr. BURNS. Mr. President, I object to further proceedings on this resolution at this time.

The PRESIDENT pro tempore. Objection is heard. Under the rule, the joint resolution will be placed on the calendar.

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

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

(Mr. BURNS assumed the chair.)

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

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

BANKRUPTCY REFORM ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 625, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation on time, or is there a time limitation?

The PRESIDING OFFICER. The Chair knows of no time limits.

Mr. LEAHY. That is my understanding.

Mr. President, I see my good friend, the Senator from Iowa, on the floor. I will speak in my capacity as ranking member of the Senate Judiciary Committee. I know Senator HATCH has spoken in his capacity as chairman of the committee. I know the Senator from Iowa, Mr. GRASSLEY, is here as chairman of the appropriate subcommittee, and Senator TORRICELLI of New Jersey will be here as ranking member of that subcommittee.

This is an important issue. It is safe to say every American agrees with the basic principle that debts should be repaid. It certainly is a principle I was brought up to believe and one my fellow Vermonters share. In fact, this country is blessed with prosperity, and the vast majority of Americans are able to meet their obligations. But for those who fall on financial hard times, bankruptcy should be available in a fair and balanced way. In fact, our country's founders believed the principle was so important they enshrined it in the Constitution, one of the few such specific reliefs enshrined in the Constitution.

Article I, section 8, of the Constitution explicitly grants Congress power to establish uniform laws on the subject of bankruptcies throughout the United States.

We in Congress have a constitutional responsibility to oversee our Nation's bankruptcy laws. Unfortunately, more and more Americans are filing for bankruptcy. In fact, 1.4 million Americans filed for bankruptcy last year. That was an increase in the number of filings from 1997, and in 1997 there was an increase in the number of filings from 1996. I find this trend extremely disturbing because the economy is doing so well. Even this morning, we hear of unemployment at an all-time low, inflation is steady, and the economy is booming. The unemployment rate keeps going down, inflation remains low, and the Nation's personal bankruptcies keep going up.

Vermont has traditionally had one of the lowest rates of bankruptcy per capita in the Nation. But in my home State of Vermont, personal bankruptcies have increased in each of the last 4 years, with annual personal bankruptcies more than doubling since 1994. I said this has occurred even though we have kept our low ranking compared to other States in the number of personal bankruptcy filings per capita. We will be able to keep that ranking because personal bankruptcy rates have gone up far more dramatically in other States.

If the rise in personal bankruptcy is caused in part by some Americans abusing the bankruptcy system, then we in Congress should move in a major, balanced way to correct our bankruptcy laws. Working together, we saw a way we could do this. We did last year. Democrats and Republicans molded a bill that corrected abuses by debtors and creditors, and it preserved access to the bankruptcy system for honest debtors.

The distinguished senior Senator from Illinois, Mr. DURBIN, who worked with the distinguished Senator from Iowa, Mr. GRASSLEY, did yeoman's work on last year's bill. They produced a bipartisan bill. As I recall—my colleague from Iowa can correct me if I am wrong—I believe it passed the Senate with something like 97 votes and only 1 or 2 votes against it. It is pretty amazing to have that strong support when we have a piece of legislation that balances such contrasting, sometimes conflicting, interests around the country. It is a credit to the two Senators who crafted it. They balanced the competing interests of debtors and creditors to put together a bill that is fair to all.

I am on the floor today because I have a concern that the bill before us strays from the blueprint of last year's balanced reforms in the Senate. For example, today's bill requires the means

testing of debtors to complete chapter 7 filings based on expense standards that are formulated by the Internal Revenue Service.

Last year, Congress was exposing the IRS as an agency out of control in its enforcement of the Internal Revenue Code, but now we say we will trust the IRS with enforcement of the bankruptcy code. We were saying last year they could not enforce the Internal Revenue Code, the area of their own expertise, but now we say we will let them help enforce the bankruptcy code, an area in which they have no expertise or jurisdiction. In my State, we say that lacks common sense.

This means testing severely restricts a judge's discretion to take into account individual debtors' circumstances. As a result, it has the potential to cause an unforgiving and inflexible result of denying honest debtors access to a postbankruptcy fresh start and would go against basically the way the bankruptcy code has been followed since the beginning of this country.

I believe most Americans, perhaps not all but most Americans, who file for bankruptcy honestly need relief from their creditors to get back on their feet financially. We have recent research that shows stagnant wages and consumer credit card debt are the primary reasons for the rise in bankruptcy filings. If there are abuses in the credit industry, then we should move in a major and balanced way to correct them.

I believe last year's Senate consumer bankruptcy reform bill, which, as I said, passed this Chamber by a near unanimous vote of 97–1, provides us with a blueprint for balanced reforms.

Moreover, the latest study by the nonpartisan American Bankruptcy Institute found that only 3 percent of chapter 7 filers could afford to repay some portion of their debt. To force the other 97 percent of chapter 7 debtors to submit to this arbitrary means test in trying to reach 3 percent lacks common sense and poses an additional burden on the 97 percent for something that does not apply to them. The Congress seems to be stepping on people it should not.

To the credit of the Senator from Iowa and the Senator from New Jersey, they are working to moderate the bill's arbitrary means testing provisions, and I commend them for working together to improve the underlying bill. I also commend the Senator from Illinois, Mr. DURBIN, and the Senator from New York, Mr. SCHUMER, for their leadership on this issue. I hope we can significantly improve the bill's means test provisions in the coming days, and we can if we want to work at it.

I am also concerned that today's bill, at least as it is now, prior to any amendments, is missing a key ingredient from last year's balanced reforms in the Senate: consumer credit information and protection.

Last year's Senate-passed bill required the disclosure of information on credit card fees and charges and also protection against unjustified credit industry practices. As the Department of Justice stated in its written views on the bill:

> The challenge posed by the unprecedented level of bankruptcy filings requires us to ask for greater responsibility from both debtors and creditors. Credit card companies must give consumers more and better information so they can understand and better manage their debt.

The administration has made it clear that for the President to sign bankruptcy reform legislation into law, it has to contain strong consumer credit disclosure and protection provisions. I agree with that. The credit card industry has to shoulder some responsibility for the nationwide rise in personal bankruptcy filings.

Last year, credit card lenders sent out 3.4 billion solicitations—3.4 billion. There are only 260 million people in this country, from the child born this morning on through. We are talking about 12 credit card solicitations per year for every man, woman, and child in America.

I constantly hear from parents that their 10-year-old child may receive a letter: You have been preapproved for credit; X number thousands of dollars. Here is your credit card.

I am not as concerned about the 10-year-old because usually the parent will grab that. I am a little bit concerned about the 16- or 17-year-old who has been eyeing a stereo set, or whatever, and they get the credit card preapproved. How about the college kids who get four or five of those in the mail: You have been preapproved. Suddenly they say: Wow, I'm worth $75,000. I have it right here in plastic. Unfortunately, when they spend it, they have to pay it back. We need a little more responsibility on this.

Do we want to send a 10-year-old down to the store with $3,000 worth of credit in their credit card? I would think not. But I also don't want the credit card companies crying when they do this and then the bills do not get paid. A little bit of effort should be made first to make sure you know who you are preapproving.

I add, there are times when somebody's pet has been preapproved. My eldest son has two beautiful Labrador retrievers—nice dogs, friendly dogs but, as most labs, probably more friendly than bright. I am not sure I want to give them credit cards. And for all the Labrador retriever owners who might have heard that and will call my office, please understand, I do like those dogs, but I am still not going to give them a credit card.

Clearly, the billions of credit card solicitations that are sent to Americans every year have contributed to an era of lax credit practices. That, in turn, contributes to the steep rise in personal bankruptcy filings. I am hopeful we can add credit industry reforms to this bill in the coming days.

Senators TORRICELLI and GRASSLEY have prepared a managers' amendment that incorporates many credit industry reforms proposed by Senators SCHUMER, REED, DODD, and others. I commend these Senators for working together on these bipartisan credit card reforms. I am pleased, actually, to cosponsor the amendment I have just referred to because it adds more balance to the bill.

Another area where we can add needed balanced reform to this legislation is in the homestead exemption. You have States—Florida and Texas, for example—where debtors are permitted to take an unlimited exemption from their creditors for the value of their home. We understand the policy reasons for protecting one's home. But I think the policy was determined when you think of the average home. Unfortunately, this exemption has led to wealthy debtors abusing their State laws to protect multimillion-dollar mansions from their creditors.

I do not think we intend somebody to be able to run up millions of dollars of debt, have a multi-multimillion-dollar mansion and say: Wait a minute. I need my humble home.

Home may be where the heart is, but it is not necessarily where the bankruptcy protection should be. This is a real abuse of bankruptcy's fresh start protection.

The distinguished Senator from Wisconsin, Mr. KOHL, has been a leader in trying to end homestead bankruptcy abuses. He has, again, prepared a bipartisan amendment to cap any homestead exemption at $100,000. I hope the full Senate will adopt the Kohl amendment to place reasonable limits on homestead exemptions.

The distinguished Senator from Massachusetts, Mr. KENNEDY, plans to offer an amendment to increase the minimum wage over the next 2 years from $5.15 to $6.15 an hour. I am proud to be a cosponsor of this amendment, as I have been before.

It is more than appropriate to help working men and women earn a living wage on a bill related to bankruptcy. These minimum-wage workers are some of the same Americans who are struggling to make a living every day and might be forced into bankruptcy by job loss or divorce or other unexpected economic event.

More than 11 million workers will get a pay raise as a result of a $1 increase in the minimum wage. We ought to agree to help millions of hard-working American families live in dignity.

I plan to offer an amendment that would save the taxpayers millions of dollars in wasteful spending and improve the bill by revising the requirement for all debtors to file with the court copies of their tax returns for the past 3 years. If the requirement was in effect last year, the 1.4 million Americans who filed for bankruptcy would have produced at least 4.2 million copies of their tax returns.

It might sound like a great idea, but the Congressional Budget Office estimates it will cost taxpayers about $34

million over the next 5 years for the courts to store and provide access to more than 20 million tax returns. It is a pretty big expense for very little benefit.

Every time we do something with one of these mandates, it may sound great, but we ought to ask ourselves, what does this cost? What do we get out of it? My amendment makes more sense. It does what the original amendment wanted to do but without the cost. It would strike the requirement. It would, instead, permit any party in interest—a creditor, judge, trustee or whoever—to request copies of a debtor's tax returns once the bankruptcy is filed. It is a targeted approach, targeted to verify a debtor's assets and income. I think it is workable and efficient because most bankruptcy cases involve debtors with no assets and little income, thus no need for the review of tax returns and no need for the taxpayers to spend $34 million to store paper nobody is ever going to look at.

So let's not pile up millions and millions and millions of these pieces of paper, hire hundreds and hundreds of people to store them, and then have something nobody is ever going to look at anyway.

I have consulted with our bankruptcy judge and trustee in Vermont. I will continue to do so. They caution that we remember the purpose bankruptcy serves: a safety net for many of our constituents. Those who are using it are usually the most vulnerable of America's middle class. They are older Americans who have lost their jobs or are unable to pay their medical debts. They are women attempting to raise their families or to secure alimony or child support after divorce. They are individuals struggling to recover from unemployment.

As we move forward with reforms that are appropriate to eliminate abuses in the system—and we should eliminate such abuses—we need to remember that people use the system, both the debtors and the creditors. We need to balance the interests of creditors with those of middle-class Americans who need the opportunity to resolve overwhelming financial burdens.

On a personal note, I welcome the distinguished Senator from New Jersey, Mr. TORRICELLI, who is the new ranking member of the Administrative Oversight and the Courts Subcommittee, to the challenges this matter presents. I know he and his staff have been working hard in good faith to improve this bill.

As the last Congress proved, there are many competing interests in the bankruptcy reform debate that make it difficult to enact a balanced and bipartisan bill into law. Unfortunately, overall, the Congress failed to meet that challenge last year, even though I believe we met it here in the Senate, in the Grassley-Durbin bill, which passed 97 to 1. I was pleased and proud to be a supporter of that. The mistake came in the conference. It broke down into a partisan fight, as though there is a difference between a Republican or a Democrat who is seeking bankruptcy relief or a difference between a Republican or a Democrat creditor whose interests have to be protected in bankruptcy.

This is an American issue. We handled it as such in the Senate a year ago. We should do it again. I hope we can set, again, the standard, Republicans and Democrats in the Senate working together to pass and enact into law balanced legislation that will correct abuses by both debtors and creditors in the bankruptcy system. We are going to be better off for it. I hope that is what we can do.

Mr. President, I yield to the distinguished Senator from Iowa.

Mr. GRASSLEY. Mr. President, before the Senator from Vermont leaves the floor, I want to thank him for his comments. He has expressed very well some statements about parts of the bill on which he has questions. I want to assure him, most of those—in fact, the way the Senate works, probably all of those—will have to be addressed in some way through the various amendments which are likely to be adopted. We do have a very close working relationship, even at this point, on some of those things with people on the Senator's side of the aisle. We will try to do that.

If I could also make the Senator from Vermont aware of a study he referenced, the study done by the American Bankruptcy Institute on the utility of chapter 7 debtors to repay their debts—the Senator may not know this, but we have had the General Accounting Office look at this study; in fact, all the studies on this question. The General Accounting Office has concluded that this specific study by the American Bankruptcy Institute was flawed. In fact, it understated the repayment ability in a very significant way.

I do not expect the Senator to accept that right now, just because I have said it. I hope he will be able to take a look at that and see if there are any remaining questions that he might have which we could address, and if we can't do that and the Senator might be considering some amendments that are a direct result of the American Bankruptcy Institute study, that we would have an opportunity to talk about it before he might move in that direction.

Overall, his statement is very accurate, stating some disagreements, some questions he has. Hopefully, we will be able to address those questions.

Mr. LEAHY. Mr. President, I appreciate the words of the Senator from Iowa. He and I have been here for a long time. We have worked on an awful lot of issues, from defense matters to agricultural matters. Over those years, I have always enjoyed working with him. We will continue on this. I realize there will not be votes today, but I think this would be a good time for Senators who are trying to reach areas of accommodation and agreement to do so. Either I or my staff will be here to work with the staff of the Senator from New Jersey and the Senator from Iowa in any way we can be helpful.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I know Senator TORRICELLI is expected to come to the floor to make a statement. While we are awaiting his arrival, I will address the Senate on a small but very important part of this legislation. That is the one that deals with chapter 12, making it permanent, as part of the bankruptcy reform legislation, so we do not have to, every 4 or 5 years or, as has been the case in the last 12 months, since it has sunsetted, had to reauthorize it two or three times on a short-term basis.

We are all in agreement it should be made permanent. People who have opposed making it permanent as a separate bill have thought it was necessary to do it at the same time as we offer the overall bankruptcy reform legislation. Hopefully, with this bill, S. 625, being adopted, we will never in the future have to deal with a separate reauthorization of a sunset chapter 12 because why should we have to sunset chapter 12, a provision that is made specifically for farming, when we don't do it for chapter 13, that is made specifically for individuals or small businesses, or chapter 11 that works very well for major corporations in America.

I want to visit with my colleagues about some very important provisions in the bill before us that are vital to family farmers in the Midwest generally, in Iowa in particular, as well as the country as a whole. Agriculture, wherever it is, is something unique and different from a lot of businesses in their situations, where sometimes they have a decline not only in income that might make bankruptcy be considered but also a decline in value of real estate that, previous to chapter 12, made it very difficult to keep up with the needs of a chapter 11 bankruptcy procedure.

As we all know from the recent debate we had within the last month on the emergency Ag appropriations bill, many of America's farmers are facing financial ruin. We have some of the lowest commodity prices in 30 years. Pork producers have lost billions of dollars in equity, not just in income but billions of dollars of equity, with the lowest prices of pork in 60 years that we had just 12 months ago. Pork producers have not only lost, but the price of corn is currently well under the cost of production. The cash market for soybeans has reached a 23-year low. This is all in addition to poor weather conditions in parts of the United States, particularly the drought of the East Coast, the drought of Texas, the fires in Florida, and flooding in various parts of the Midwest.

These circumstances have sent many farming operations in a tailspin. Clearly, we need to make sure family farmers continue to have bankruptcy protection available to them and a protection that satisfies the uniqueness of farming, as we have had other sections of the code try to be written to meet the uniqueness of other business arrangements within our society and our economy.

Particularly, chapter 12 is going to be needed in good times as well as bad times—maybe not used in good times, but it needs to be there to meet the different arrangements of the different segments of the country and also the different drought and flooding conditions that happen from time to time, as well as the unpredictability of the economy, particularly the international economy, when the Southeast Asian financial crisis brought a downturn in our exports and squeezed the farmers' income at this particular time.

Title X of S. 625 of this bill makes chapter 12 permanent and makes several changes to chapter 12 to make it more accessible for farmers and to give farmers new tools to assist in reorganizing their financial affairs.

Back in the mid-1980s when Iowa was in the midst of another devastating farm crisis, I wrote chapter 12 to make sure family farmers would receive a fair shake when dealing with the banks and the Federal Government. At that time, I didn't know if chapter 12 was going to work or not, so it was only enacted on a temporary basis.

Chapter 12 has been an unmitigated success. As a result of chapter 12, many farmers in Iowa and across the country are still farming and contributing to America's economy. With a new crisis in farm country now, just 15 years from the last one, we need to make sure chapter 12 is a permanent part of Federal law, and this bankruptcy bill does exactly that.

As was the case with the dark days of the mid-1980s, some are predicting that family farms should consolidate and we should turn to corporate farming to supply our food and agricultural products. As with the 1980s, some people seem to think family farms are inefficient relics that should be allowed to go out of business. This would mean the end of an important part of our Nation's economy and a certain heritage that is connected with it. And it would put many hard-working American families—those who farm and those whose jobs depend on a healthy agricultural sector—out of work.

But the family farm didn't disappear in the 1980s, and that crisis was very bad as well. It was not only an income crisis, as is the situation now, but there was a tremendous drop in equity at that particular time.

I believe chapter 12 is a major reason for the survival of many financially troubled family farms. We have an Iowa State University study prepared by the outstanding Professor Neil Harl. He found that 84 percent of the Iowa farmers who used chapter 12 were able to continue farming. Those are real jobs for all sorts of Iowans in agriculture and in industries that depend upon agriculture. According to the same study, 63 percent of the farmers who used chapter 12 found it helpful in getting them back on their feet. In short, I think it is fair to say chapter 12 worked in the mid 1980s and it should be made permanent so family farmers in trouble today can get breathing room and a fresh start if that is what they need to make it.

But the most obvious reason for having it is that chapter 11, written for corporate America, does not fit the needs of agriculture or the economics of agriculture.

The Bankruptcy Reform Act before us doesn't just make chapter 12 permanent. Instead, the bill makes improvements to chapter 12 so it will be more accessible and helpful for those in the agricultural community. First, the definition of the family farmer is widened so that more farmers can qualify for chapter 12 bankruptcy protection. Second, and perhaps most important, my bankruptcy bill reduces the priority of capital gains tax liabilities for farm assets sold as part of a reorganization plan. This will have the beneficial effect of allowing cash-strapped farmers to sell livestock, grain, and other farm assets to generate cash flow when liquidity is essential to maintaining a family farm operation. These reforms will make chapter 12 even more effective in protecting America's family farms during this difficult period.

So it is really imperative that we keep chapter 12 alive. Before we had chapter 12, banks held a veto over reorganization plans. They would not negotiate with people in agriculture, and the farmer would be forced to auction off the farm, even if the farm had been in the family for generations. Now, because of chapter 12, the banks are willing to come to terms. We must pass S. 625 to make sure America's family farms have a fighting chance to reorganize their financial affairs.

Before I yield the floor, I see my good friend and coworker on this legislation, the Senator from New Jersey, Mr. TORRICELLI, has come to the floor to make some remarks. As I said last night and I want to say today, because he wasn't able to be here last night, I really appreciate that from day 1 of our even visiting about the possibility of putting together a bipartisan bill, as we had done in the previous Congress, because he was new to the committee and to this effort, not participating at the committee level in the efforts I had with Senator DURBIN of Illinois during the previous Congress on a bill that just about made it through—not knowing those things could work out, we sat down and visited about that possibility.

That initial visit brought us to putting together the legislation that is before us, legislation as introduced with the idea that he and I may not have agreed to everything down to the last jot and tittle with that legislation, but that we would be able, through the ensuing months, to work out differences and come to an agreement and get a bill out of committee. He has kept his word, and he has worked with us.

I don't know whether people who don't participate in the legislative process know how much easier that is, such a better environment in which to write legislation and to make public policy. I don't see that often enough. I see it in this legislation through the cooperation of Senator TORRICELLI. Obviously, that sort of cooperation is two ways: He gives; I give. People who look to him for leadership—he has to carry some water for colleagues of his who want him to work things out. I have to do the same thing. But whether it is as a water carrier for our colleagues or whether it is for the individual philosophy of Senator TORRICELLI or myself, we have been able to bring this together. I thank him for that cooperation.

I yield the floor.

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

Mr. TORRICELLI. Mr. President, I thank Senator GRASSLEY for what has been a valuable partnership in crafting what I believe to be extremely important legislation. It would be fair to conclude that without the tenacity of Senator GRASSLEY, this Senate would not be considering bankruptcy legislation. Without his reasonableness in reaching some of these provisions, it would not be the kind of progressive legislation that I believe is before us today.

I also note that I am a successor to Senator DURBIN who, like Senator GRASSLEY, has invested not months but more than a year in crafting this legislation. Senator DURBIN's contributions are on virtually every page. Working with Senator DURBIN and, indeed, with Senator GRASSLEY has not only been a pleasure; it has been a productive exercise. For that, I am very grateful.

These are unusual times in our country, such an extraordinary combination of economic circumstances. Unemployment is low, home ownership is at record levels, and, for the first time in years, the Federal Government is operating with a surplus. This would lead many to believe these are not only good economic times but perfect economic times. This, of course does bear closer scrutiny.

There are several troubling aspects with the modern American economy. They are not unrelated. One is a rapidly declining rate of personal savings—indeed, in the last quarter, the lowest savings rate by American families in our history.

The second is the rapid, almost inexplicable rise in consumer bankruptcies. In 1998 alone, 1.4 million Americans sought bankruptcy protection. This represented a 20-percent increase since 1996 and a staggering 350-percent increase since 1980.

We can differ on the reasons. We can have our own theories. But something is wrong. That ''something'' is not only jeopardizing the economic security of American families, it is providing a staggering financial burden on small businesses and American financial institutions.

It is estimated 70 percent of the these bankruptcy situations were filed in chapter 7, which provides relief for most unsecured debt. Just 30 percent of these petitions were filed under chapter 13, which requires a repayment plan.

There are, obviously, disagreements about what has caused this dramatic increase. It is probable there is no one reason but a confluence of problems. Some suggest that culturally the stigma of bankruptcy has been removed and people no longer feel any inhibition in admitting their financial circumstances and seeking total relief from personal obligations. Others believe it is simply abuse of a system in which it is too simple to avoid responsibility. Others argue that a reliance on debt and a decrease in personal savings has left record numbers of Americans vulnerable to this change and leading to these extraordinary levels of bankruptcy.

Obviously, in the complexities of modern life—with low savings rates, high levels of debt, attentions of our current culture, unexpected events, divorce, a health crisis, given the enormous cost of health care in the Nation, the loss of a job or the loss of job skills because of changes of technology—any one of them, no less a combination of them, can take an American family who believes it is living with financial security and force them under a crushing debt into bankruptcy.

The reality, of course, is a majority of these bankruptcies are hard-working American people, low- or middle-class families, who largely, through no fault of their own, sometimes due to these circumstances that I have outlined, find themselves with overwhelming financial problems and they simply cannot deal with the crushing blow. For all the abuses, the fact remains that accounts for most of these bankruptcies.

At the same time, in a recent study the Department of Justice has found that 13 percent of all those debtors filing under chapter 7, or an incredible 182,000 people, can afford to repay a significant amount of this debt. This would mean to creditors, family-owned businesses, small retailers, and important financial institutions, an incredible $4 billion that could be returned to creditors but is avoided through what I perceive to be a misuse of the bankruptcy system.

These are the factors, the statistics, and the concerns that led Senator GRASSLEY and I to offer this comprehensive bankruptcy reform.

The bill before the Senate strikes a balance making it more difficult for the unscrupulous to abuse the system, while ensuring that bankruptcy protection for families who need it will find it available.

These abuses which result in this $4 billion loss to creditors is not paid by some distant institution off our shores separated from the realities of American life or our economy. This is money avoided through the unscrupulous use of the bankruptcy system that is added onto every piece of clothing you buy in the store, every automobile you purchase from a show room, every credit card you use, and every bank loan that you take.

Those hard-working Americans who pay their bills are forced, through bankruptcy, through no fault of their own, to share these costs. That is what brings us here today.

At its core, the Grassley-Torricelli bill is designed to assure that those with the ability to repay a portion of their debts do so by establishing clear and reasonable criteria to determine repayment obligations.

It provides judicial discretion to ensure that no one genuinely in need of debt cancellation will be prevented from receiving a fresh start. Recognizing that a fresh start and an ability to have a new life have been at the core in this country, that has been the reason for bankruptcy protection since the establishment of the Republic. We believe in second chances in life. We also don't believe in people escaping obligations they can meet or misusing the legal system.

It is because, however, of our concern that vulnerable people who genuinely use the system for a new start in life would have their position jeopardized by our legitimate efforts to find those who are abusing the system that we have designed a flexible means testing system in the bankruptcy bill for the first time. Under current law, virtually anyone who files for complete debt relief under chapter 7 will receive it.

The Grassley-Torricelli bill creates a needs-based system by establishing a presumption that a chapter 7 filing should be either dismissed or converted to a chapter 13 when the debtor has sufficient income to repay at least $15,000, or 25 percent of their outstanding debt. That is the essence of the needs-based system. It is a simple presumption. You can pay $15,000, or 25 percent. It is not closed to you. There is no prohibition. But there is a presumption that you can pay. You need to meet that presumption only for those individuals.

I believe this is a flexible yet very efficient screen to move debtors to the ability to repay a portion of their debt into a repayment plan, while at the same time ensuring judicial discretion and a fair review given the debtor's individual circumstances.

In addition, the bill contains several important consumer safeguards to prevent unfair harassment by creditors. It requires the Attorney General and the FBI Director to designate one prosecutor and one agent in every district to investigate reaffirmation practices that violate Federal law.

This is an important element of this bill to ensure that individual creditors do not seek their own remedy outside of the law, forcing people who cannot repay or should not be repaying, given their individual circumstances and income, to do so.

It penalizes creditors who refuse to negotiate reasonable repayment schedules prior to bankruptcy.

The emphasis remains on settlement through negotiations—not litigation and conflict.

Importantly, the bill also does everything possible to guarantee that child support payments in bankruptcy are not jeopardized, are a priority, and continue.

This was the priority in the Judiciary Committee—that we would reform this system, we would provide new opportunities for debtors to collect, new safeguards for people in bankruptcy, but that child support payments and family obligations will remain paramount.

I believe in the balance that is achieved in this legislation, and that Senator GRASSLEY and I have met that objective. It was critical to do so because more than one-third of bankruptcies in the United States involve spousal or child support orders. This bill will not be a vehicle for people escaping their family obligations.

In half of these cases, women are creditors trying to collect court-ordered support from their former husbands. These support orders are a lifeline for these families. I believe this legislation has protected it, recognizing the vulnerability of these families, and why this was a priority in the legislation.

Mr. President, 44 percent of single parent families with children under the age of 18 had incomes below the poverty line in recent years. The child support amounting to an average of nearly $3,000 is often the only thing that keeps a single parent and a dependent child off public assistance. Senator GRASSLEY and I have achieved this protection and I believe this fair provision of protecting these families by elevating child support from its current place as seventh on the repayment priority list to first place. This is critical for Members of the Senate to understand. Currently, these child support payments are seventh on the list of priorities. Under the Grassley-Torricelli legislation, it will now be first priority. No bank, no insurance company, no credit card company, no retailer—no one—will have higher priority than the children or the spouses involved in these cases.

There were other concerns in the Judiciary Committee which needed to be addressed, other balances that have been achieved that the Senate should recognize. First, the managers' amendment that will be offered incorporates the language offered by Senator FEINGOLD to remedy a provision in the bill carried over from the legislation of a previous year which would have made

debtors' attorneys responsible for costs and fees. That provision would have made it impossible for many middle-income people, people of modest means, to ever get an attorney. In cases where there is any judgment to be reached, any questions on the merits, it would have been impossible to get an attorney, disenfranchising many Americans from the entire bankruptcy system. A motion brought by the trustee to move the debtor from chapter 7 into chapter 13 and the original filing was, we found, not substantially justified. Those costs would have been incurred by the attorney. The managers' amendment will protect against this provision.

Second, the managers' amendment will include a safe harbor, exempting every debtor with income below the median income from the means test. This provision will ensure low-income people with no hope of prepaying their debts are not swept into the means test.

A final point I raised that is resolved by the managers' amendment is the use of IRS standards in the bill. Currently, the bill uses living expense standards formulated by the IRS in determining what portion of their debts an individual has the ability to repay. These standards were not formulated with bankruptcy in mind and provide virtually no flexibility to account for the debtor's actual expenses. They were, therefore, not appropriate. The managers' amendment will clarify the Justice Department and Treasury have the authority to draft bankruptcy appropriate standards and not use the IRS standards previously used.

For each of these provisions and their incorporation in this legislation, we are very indebted to members of the Judiciary Committee: Senator FEINGOLD, for his efforts in recognizing the possible abuses of putting these costs on to bankruptcy attorneys if the cases were lost; and Senator DURBIN, at his insistence and my own, we provided for an appropriate means test; and for the Department of Justice coming up with its own means test standards. Senator DURBIN, in particular, was very helpful with these provisions. Senator GRASSLEY, recognizing their merits, has brought them into the legislation. It is, therefore, far better legislation because of each of these provisions.

There is, however, one final area which also must be addressed to ensure the bill is both balanced and bipartisan. It is critical the bill not only address the debtor's abuse of bankruptcy but also overreaching and sometimes abusive practices of the credit industry. Any American who gets their own mail understands some change is taking place in the American economy—the extraordinary solicitation of customers, by the 3.5 billion individual efforts by the credit card industry to get new customers. This represents 41 mailings for every American household every year; 14 for every man, woman, and child in the Nation. No one disputes both the right and the advisability of the credit card industry seeking solicitation of new customers who are creditworthy, have incomes and the need for available consumer credit. It is right and an important part of our economy. That is not the objective of this legislation.

Our concern in balancing provisions dealing with consumer abuse of the bankruptcy laws with credit industry abuse of consumers focuses instead on people of modest incomes who are offered credit they could never afford, debt they will incur that they can never deal with, young people and the elderly, in credit obligations they do not even understand. The situation, indeed, has become so serious with students that 450 colleges nationwide have banned the marketing of credit cards on their campuses. Low-income families are being targeted with the same frequency as students—the endless solicitation of debt they cannot meet and should not incur.

Since this decade began, Americans with incomes below the poverty line have doubled their credit usage. The result is entirely predictable. Mr. President, 27 percent of families earning less than $10,000 have consumer debt that is more than 40 percent of their income. Modest-income families, sometimes high school students, often people on public assistance, receiving hundreds if not thousands of credit solicitations by companies that should recognize with any due diligence that is fully available to the industry that these debts can never be paid. I have granted to the industry that unfortunate changes in our culture, abuses of the bankruptcy laws, and a host of other reasons have led to needed changes in the bankruptcy laws to avoid these abuses. No one can credibly argue there is not some need of the industry to do so as well.

In this legislation we offer the consumers must be given information about the consequences of their debt: fair disclosure if only the minimum debt is paid as required by the credit card company or the bank; how long will it take for repayment to be made; and what will it cost, information that should be made available to every consumer, people believing if they make the minimum payments they will actually ever be out of debt. We want them to recognize the years and the enormous costs of doing so.

Senator GRASSLEY, working with Senator SCHUMER, Senator DURBIN, and others, has reached an accommodation that I think is fair to the industry but will provide real consumer protection through disclosure. The adoption of that amendment is as vital to a balanced bill as the protection of child support, the moving of people into repayment schedules, and a means test.

This is an extraordinary piece of legislation. It is a challenge to all those who believe this Senate cannot operate on a bipartisan basis. There will be opposition to bankruptcy reform. It may be 5, 10, 15 or 20 votes, but it will be a small minority. This is genuinely bipartisan legislation. It can be adopted without rancor after months, if not years, of effort by Senators from both sides of the aisle. It is fair; it is balanced for the credit card industry and consumers.

I end as I began, expressing my gratitude to Senator GRASSLEY and members of the Judiciary Committee, and I compliment the Senate on what I believe will be a worthwhile and informative debate as we adopt this comprehensive bankruptcy reform.

I yield the floor.

Mr. GRASSLEY. Mr. President, there does not appear to be an effort on the part of Members to consider this bill which is up for discussion. It will take a few days to get through all the amendments. Given the lateness of the year as far as the total legislative session is concerned and considering all the other work that needs to be done to wind up this legislative session, there may not be an appreciation of all the amendments we have to deal with on this bill. I encourage Members who have amendments to come here on the floor to offer their amendments. This bill is very complex. Some of the amendments are also going to be very complex. So please come here and offer your amendments.

AMENDMENT NO. 1730

(Purpose: To amend title 11, United States Code, to provide for health care and employee benefits, and for other purposes)

Mr. GRASSLEY. Mr. President, I call up amendment No. 1730 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself, Mr. TORRICELLI, and Mr. LEAHY, proposes an amendment numbered 1730.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. GRASSLEY. Mr. President, we have a situation now in which several nursing home chains, maybe even some independent nursing homes, are going into bankruptcy. When this happens, we do not have public policy in place to guarantee the economic and accounting decisions that the bankruptcy involves take into consideration the needs of the residents of these nursing homes.

If a hospital goes bankrupt, the basic question then is, What happens to the patients? The moving of elderly patients, particularly those who have been in a single nursing home for a long period of time, is a very traumatic experience. Many times, the trauma that results from that removal leads to almost immediate death. I suppose a more accurate statement would be that under any circumstance, patients' welfare varies from case to case.

If a bankruptcy trustee is thinking about patients, he may act to protect them. If he is not thinking about the patients, they could end up on the street. This has happened before, and it could happen again. The amendment I am offering today with Senator TORRICELLI and Senator LEAHY would modify our bankruptcy laws to deal with the failures of health care businesses. Our intent is simply to protect patients in a system that is not designed to protect them.

The fate of patients caught in business failures does not always make headlines. But when it does, the stories can be quite moving. The Los Angeles times on September 28, just 2 years ago, described the terrible consequences of a sudden nursing home closing:

It could not be determined Saturday how many more elderly and chronically ill patients may be affected by the health care company's financial problems. Those at the Reseda Care Center in the San Fernando Valley, including a 106-year-old woman, were rolled into the street late Friday in wheelchairs and on hospital beds, bundled in blankets, as relatives scurried to gather up clothes and other personal belongings.

As horrifying as this example is, it could easily be repeated. What happened at the Reseda Care Center, less than 2 years ago, could happen again and again across the country.

The Nation's bankruptcy laws are geared towards creditors and debtors. One purpose of the bankruptcy system is to ensure that creditors receive what debtors owe them. To this end, bankruptcy trustees concentrate narrowly on the bottom line. They try to maximize the amount of money returned to creditors. In a system so focused on finances, the human toll is often merely an ancillary concern.

Unfortunately, the poor financial conditions that led to the Reseda Care Center's collapse are increasing. Large portions of the health care industry are financially ailing. Almost one-third of our hospitals could face foreclosure. At least two of the Nation's largest nursing home chains are in deep financial trouble and may file for bankruptcy. We have had some chains already do that. Two large nursing home chains that declared bankruptcy, before they declared bankruptcy, had already cut 10,000 jobs. An increasing number of home health agencies are shutting their doors. All in all, health care business failures were up 15.5 percent between 1996 and 1997.

Thousands of patients tie their fate to health care providers. They have no alternative. Yet Federal law shows absolutely no consideration for patients' well-being during the process of bankruptcy. While the State of California has tried to prevent any more surprise nursing home evictions, each Federal bankruptcy judge decides whether any State law applies in an individual case. No Federal law protects patients in bankruptcy cases. With simple changes to the bankruptcy code, our amendment will fill this very dangerous gap in patient protection.

Specifically, one section covers the disposal of patient records. It provides clear and specific guidance to trustees who may not be aware of State or Federal requirements for maintaining these records, or confidentiality issues associated with patient records. Another section of our amendment makes the cost of closing a health care business, such as transferring patients to another health care facility, a top priority debt. This ensures these expenses will actually be paid.

In the ideal situation, though, we want to even keep these patients from being moved if that is possible, and I think it is possible. In fact, we have had the assurances of some of these chains that have gone into bankruptcy already that they are providing for the continuing care of their patients.

But perhaps the heart of this amendment, as I point to the third and main part of it, is the requirement that the bankruptcy judge appoint an ombudsman to act as an advocate for patients of health care businesses in bankruptcy. This ensures judges are fully aware of all the facts when they guide health care providers through bankruptcy. Prior to a chapter 11 filing, or immediately thereafter, the debtor may employ a consultant to help in its reorganization effort. The first step is usually cutting costs. Sometimes this step may result in a lower quality of patient care. An ombudsman, under our amendment, would provide an institutional voice for the patients to help ensure an acceptable level of patient care.

Our amendment also requires a trustee to make the best effort to transfer patients to another facility in the face of a health care business closing. This is designed to prevent a trustee from putting patients out on the street.

Our amendment provides a tremendous benefit for patients with a minimal impact on creditors and debtors. As policymakers, we must eliminate the possibility of midnight evictions at bankrupt nursing homes and hospitals. We must ease the fear of abandonment in individuals who are at a very vulnerable stage in their lives.

This is the amendment. We have had about 6 months pass since the first talk of bankruptcies by some major chains in the United States took place. I happen to also be chairman of the Senate Aging Committee. In that capacity, I consulted with HCFA when these first threats of bankruptcy came forth and we did not have the bankruptcy protection for the patients that our amendment proposes. I asked HCFA about plans for this, or what plans each of the States had for States that would have nursing homes in bankruptcy. We found a total vacuum of either Federal concern or Federal policy and, also in most States, that to be the situation.

Last spring, I asked the Health Care Financing Administration to start instituting a process that the States will go through as they license nursing homes. They should be concerned with the quality of care in nursing homes and have an interim plan for those nursing homes that go into bankruptcy, pending adoption of our legislation.

HCFA has carried out that responsibility very well. We now have word that each of the States have such a plan in place. We want to make sure this is a permanent part of the consideration of bankruptcy courts and, hence, the necessity of our legislation which goes beyond what the Federal Government, through HCFA, and the States through their licensing and quality control departments, has a responsibility to do. They now have in place a plan to deal with nursing home bankruptcies.

Mr. TORRICELLI. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. TORRICELLI. Mr. President, I congratulate Senator GRASSLEY on offering the amendment. I am proud to offer it with him.

We could not do comprehensive bankruptcy reform without dealing with the crisis in the health care industry. Last year, bankruptcies by health care providers were up 15 percent. One nursing home company alone, which has 300 nursing homes, left an estimated 37,000 people without beds when it filed for bankruptcy. One, the Doctors Network in California, when it went into bankruptcy, left 1.3 million people without health care.

As the Senator pointed out in his remarks, the bankruptcy laws are designed for creditors and they are designed for people who are debtors, but the customers, in this case the patients, are not provided for.

One of the worst cases in the country was when the HIP health care plan in New Jersey went bankrupt leaving 194,000 subscribers without clear health care provisions. Indeed, it has left New Jersey hospitals, almost all of them, in the red this year because their bills were not being paid.

I am very grateful we have been able to join together in offering this amendment to ensure there is an ombudsman; that there is help in getting people into new plans; that their records are protected in privacy. I believe we made a real contribution to helping in these difficult moments in the health care industry, and we will have a better bankruptcy reform bill because of it. I am very happy to work with Senator GRASSLEY and grateful for his leadership.

Mr. GRASSLEY. Mr. President, this is one more example of the bipartisan cooperation we have had on this bill. I hope my colleagues will look at this amendment and that it will not become controversial and we can adopt it. When the overall bankruptcy legislation becomes law, we will have appropriate protection, beyond the protection we give to creditors and debtors in this legislation, for the needs of patients as well.

We should not have these traumatic experiences that happened in Reseda

Nursing Home in San Fernando Valley and the over 100,000 patients who were in jeopardy in the example of the Senator from New Jersey.

I yield the floor.

Mr. LEAHY. Mr. President, I am pleased to join Senator GRASSLEY and Senator TORRICELLI in offering the ''Nursing Home Patients Protection Act'' to S. 625, the Bankruptcy Reform Act of 1999. Our amendment protects nursing home patients in a business liquidation in three fundamental areas: patient privacy, patient rights and prompt transfers to new facilities.

PATIENT PRIVACY

First of all, our amendment ensures patient privacy when a hospital, nursing home, HMO or other institution holding medical records is involved in a bankruptcy proceeding that leads to liquidation. Medical privacy is an issue very important to me, and ensuring that the confidentiality of patients records is maintained should be of paramount importance.

DEFENDING PATIENTS RIGHTS

We have ensured that patients rights are defended as well. Cost cutting is always an issue in the health care system and that can translate into lower patient care quality—a fear to all health care patients. Our amendment establishes an ombudsman to provide a voice for all health care patients, making sure that judges are aware of all the facts in balancing the interests between the creditor and the patients.

NEW NURSING HOME TRANSFER

Finally, our amendment requires that the bankruptcy trustee make all reasonable efforts to transfer all of the bankrupt nursing home's patients to a nearby health care business. The prompt transferring of patients to a new health care facility must be addressed properly during a business liquidation under our legislation.

Mr. President, in my home State of Vermont, two nursing homes in Burlington recently made news due to a bankruptcy proceeding. Birchwood Terrace Healthcare and the Staff Farm Nursing Center are two very excellent nursing home facilities. Each has a corporate connection to the Vencor Corporation, a nationwide healthcare and nursing home provider that recently filed for protection under Federal bankruptcy protection under Chapter 11 of the Bankruptcy Code. While Vencor has pledged these Vermont nursing homes will not be affected by its plans to reorganize while in bankruptcy, I am sure that many Vermonters are alarmed at the prospect of a nursing home with their loved ones filing for bankruptcy. Our amendment should reassure Vermonters that even if a nursing home files for business liquidation under our bankruptcy laws, their loved ones will be protected.

I have been working on the overall issue of medical privacy for many years and I am particularly pleased that our amendment adds new protections for patient medical records for nursing homes in bankruptcy liquidation.

Of course, in the best case scenario any institution holding patient health care records would continue to follow applicable state or federal law requiring proper storage and safeguards. The fact is, however, under current law during a business liquidation an individual would have to wait until there has been a serious breach of their privacy rights before anyone stepped in to ensure that patient privacy is protected. Under current law it is questionable what protection these most sensitive personal records would have during a liquidation.

The reality of this situation and the practical questions of what recourse an individual would have if their personal medical records were not properly safeguarded against a business that is going out of business makes this provision essential. Our legislation would set in law the procedure that an institution holding medical records would have to follow during a liquidation proceeding.

The bottom line is that we do not want to have to wait until there has been a breach of privacy before steps are taken to protect patient privacy. Once privacy is breached—there is nothing one can really do to give that back to an individual.

I urge my colleagues to support our amendment to make sure that nursing home patients privacy and rights are protected during a bankruptcy proceeding.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am fortunate the remarks I am about to make follow the remarks of my colleagues from Iowa and New Jersey in talking about nursing homes because I want to take a few minutes to talk about another aspect of how the elderly are getting ripped off in this country and what has happened with HCFA, the Health Care Financing Administration, and what they have been trying to do to stop this. What the Senate is doing and what the House has done recently is going to turn the clock back on our attempts to cut out waste, fraud, and abuse in Medicare.

I have been working for over a decade to identify and eliminate waste, fraud, and abuse in the Medicare system. It is a big problem. The Office of Inspector General estimates that last year, Medicare lost nearly $13 billion—that is with a B, billion dollars—to waste, fraud, and abuse in Medicare.

A few years ago, it was over $23 billion a year. So we have made some progress. It is still a huge annual waste of our tax dollars. I call it the Medicare waste tax, and we need to cut the Medicare waste tax.

Since 1989, I have held hearing after hearing, released report after report documenting unnecessary losses to the Medicare program. I commissioned the Office of Inspector General and the General Accounting Office to research and review these unnecessary payments and to make recommendations. On July 28 of this year, I introduced S. 1451, the Medicare Waste Tax Reduction Act of 1999 which incorporates many of these GAO and IG recommendations. If enacted, it would save Medicare and our taxpayers billions of dollars every year.

Medicare fraud is what we hear the most about, some egregious cases where a scam artist has found yet another way to skim millions from the Medicare trust fund. Those are the cases that make the headlines. But my years of investigation and review of this problem indicate that by far the greatest losses to Medicare are not in fraud, but they are due simply to waste and abusive practices. These losses are often directly due to or are encouraged by wasteful Medicare payment policies and practices and a laxity in oversight, as well as weaknesses in the Medicare law that restrict the program's ability to get the best deal possible when purchasing goods and services.

To examine this further, in 1996, my staff and I undertook a study of Medicare payments for medical supplies. This followed a study by the GAO that I had requested earlier on the same topic. We compared Medicare's payment rates for 18 commonly used medical supply and equipment items with what the Veterans' Administration paid. Then we compared it to the wholesale rate and the retail rate.

What we found was startling. This is a chart that depicts what we found. For example, an irrigation syringe—a small syringe like this little one right here, these little plastic syringes—we found that Medicare is paying $2.93 for each one. The Veterans' Administration is paying $1.89. The wholesale price was $1.10. The retail price was $1.95. One can walk into a drugstore and buy one for $1.95. Medicare was paying $2.93 for each one. The potential savings from that alone, if we base it on the wholesale price, is $4.4 million every year just on little plastic syringes.

We had a walker. The Medicare purchase price was 75 bucks. The VA price was $25 for the walker. The wholesale price was $39, and the potential savings was about $17 million a year.

Again, this is not an elaborate device. This is just a simple aluminum holding walker. Medicare was paying $75 each. The wholesale price was $39.

This is a commode chair. This is even more egregious. The commode chair was being paid for by Medicare at the rate of $99.35 each. The VA was paying $24.12 each. The potential savings was $30.6 million a year. This is a commode chair; we have all seen them. A lot of people use them in hospitals and nursing homes.

Potential savings: If Medicare just paid the VA price, not the wholesale price, just what the Veterans' Administration is buying them for, there would be a savings of $30 million a year just for the commode chair.

Those are some of the items we found were being grossly overpaid for by the Medicare system.

So, armed with this information, we began to work to cut this waste. First, I pushed an idea I have advocated for over a decade: Competitive bidding. Competitive bidding, that is how the Veterans' Administration gets the rates it does—good old-fashioned American free enterprise; put them out there for competitive bids.

While Medicare pays bloated prices based on historical charges, the VA, which has much less purchasing power than Medicare, puts out bids that provide for both quality and cost control.

So I wanted to get through competitive bidding. But all we could get through the Congress was a demonstration on competitive bidding.

I do want to point out one of the items on which we were successful in reducing the price on this idea of competitive bidding. One of the demonstration programs we did was oxygen. We found that for oxygen, Medicare was paying more than 50 percent more than the Veterans' Administration. So we had a debate here about reducing the Medicare rate for oxygen. We had a compromise. We cut the rate by 30 percent. That was in the Balanced Budget Act of 1997. We said we were going to reduce the oxygen payments by 30 percent and put it out for competitive bids.

We just got the first bids in on the competitive bidding demonstration for oxygen. Guess what. The suppliers bid to provide home oxygen for about 25 percent less than the 30-percent cut we put in. On top of the 30-percent cut, the bids came in at 25 percent less than that. They are still making money. And they will still be providing regular servicing of equipment, doing it for that much less.

Let me get this straight. A lot of the oxygen suppliers said they could not do this because they would lose money. We did not listen. We went ahead and put through the 30-percent cut. Then we put it out for competitive bids. They then cut it 25 percent more than that.

So look at it this way. If the home oxygen people were making 50 percent more off Medicare than they were making off the Veterans' Administration, and we cut it by 30 percent, put it out for competitive bids, and they came in 25 percent even lower than that, that means they are now 5 percent under the Veterans' Administration. They were making money off VA before, and now they are even less than what VA is on competitive bids. And you know darn well they are not going to bid that unless they are making money on it. They are not going to put a bid out there to lose money.

That is just an indication of how much waste and abuse there is in the Medicare system and why competitive bidding ought not to be a demonstration project but it ought to be the norm, the standard for all of our purchases for Medicare.

We got the demonstration program. However, as a part of the Balanced Budget Act of 1997, we did succeed in giving Medicare a modest version of another waste-fighting weapon I have been pushing for a long time. We provided HCFA, the Health Care Financing Administration, with enhanced ''inherent reasonableness'' authority to reduce Medicare payments when it is clear that current Medicare payment levels are ''grossly excessive.'' In other words, Medicare, HCFA, has an ''inherent reasonableness'' clause. We enhanced that to say they could reduce Medicare payments when they were clearly grossly excessive. I would have liked to have done much more—obviously, put it out for competitive bids—but it is a step in the right direction.

Specifically, what this does is provide Medicare with the authority to reduce payments by up to 15 percent a year for items where Medicare believes there are gross overpayments. That was 2 years ago. After 2 years of prodding, HCFA has finally begun the process of using its new authority to make Medicare a more prudent purchaser. They published a notice of proposed rulemaking on August 13 of this year. This followed an extensive investigation reviewing retail prices, wholesale prices paid by payers other than Medicare, and, of course, the payment amounts made by the Veterans' Administration.

HCFA and their intermediaries then came up with an initial list of 12 items of durable medical equipment and 1 prosthetic device for which Medicare currently pays a grossly excessive amount. HCFA recommended reducing these exorbitant rates, and they projected over a 5-year period, just making these modest adjustments, it would save Medicare and the taxpayers over $487 million—just in the next 5 years.

This chart will begin to show some of these items.

For example, the items here: Lancers, enteral nutrients, eyeglass frames, catheters, test strips, albuterol sulfate; the overpayments are: 36 percent, 16 percent, 21 percent, 24 percent, et cetera. This chart shows the 5-year savings we would get off them. Then this chart shows the overpayment for the folding walkers I just talked about, the commode chairs, and others, for another $120 million. It is a total 5-year savings of almost half a billion dollars just from these items alone.

Let me make it clear, we are only talking about the right of HCFA to reduce grossly excessive payments. Excessive pricing is not determined by comparing prices paid by Medicare to wholesale prices. That is not how we determine excessive pricing. HCFA, in its proposed rule, takes the Veterans' Administration price—what the VA is paying for these same items—and then it adds 67 percent.

Keep this in mind. I will get my commode chair back out here again. For an item such as this commode chair, what the HCFA has said is: We will see what VA is paying for it, not what the wholesale price is. What is the Veterans' Administration paying for it? Then we will add 67 percent over that. That is what we will now pay for that commode chair.

Keep in mind, the companies making these commode chairs are not losing money in the VA system. They would not be selling them to the VA if they were losing money. So you know they are making money off the VA.

Now HCFA says: OK, they were so grossly overpriced before, we are now going to cut it; we are only going to allow a 67-percent markup. Wouldn't you like to have that guarantee in everything you sell the Government?

I see no reason we should pay more than the VA. Medicare is the largest purchaser of medical supplies and equipment in the Nation. Because of this purchasing power, it ought to be able to demand better prices than anyone else. Medicare should not pay any more than any other Federal program does, whether it is VA, CHAMPUS, the Federal Employees Health Benefits Program, or others.

Now, guess what. Even with the 67-percent markup over the VA rate, Medicare is currently paying even more. It is hard to believe.

Now, here are the folding walkers. The VA payment on those is $30.24. The proposed Medicare payment is $50.50. That is with a 67-percent markup. So if they are making money on VA, they are making a killing off of Medicare. Here is the commode chair. VA is paying $37.64; the Medicare payment is $62.85. What a deal. And this is a result of us saying they shouldn't pay grossly exaggerated prices. Evidently paying $62.85 for a commode chair for which the VA is paying $37 is not grossly exaggerated. I think it is. There are a lot of other things, folding walkers and everything else. Here is a folding walker that has a wheel on it. The VA is paying $45.94; the proposed Medicare payment, $75.88.

Even with that, HCFA is moving ahead, barely, to save Medicare and taxpayers a lot of money. We need to do more, and we need to do more rapidly.

If my colleagues think that is bad news, get ready for the really bad news. With almost no discussion, last week the House Ways and Means Committee added a little special interest provision to the Medicare Balanced Budget Refinement Act of 1999. This provision would indefinitely delay cutting this wasteful spending. It would deny Medicare and the taxpayers $½ billion of savings. It does this simply by stopping HCFA from moving ahead. It stops Medicare, its intermediaries and carriers from using this inherent reasonableness authority until the Secretary has published a new rule and those rules are finalized.

Medicare says this would mean a delay of maybe 18, 22, 24 months, another a couple years. If their track record is any indicator, the delay would be a lot longer than that.

I suppose a lot of people on that House Ways and Means Committee got a lot of phone calls from the people who make walkers and commodes and these syringes who said do something about this. It is in the House Ways and Means Committee bill. It would block just these modest attempts to safeguard Medicare. We would still allow them to make 67 percent more than what they are making from VA. That is not enough for them. So they got a little provision slipped in that House bill. Talk about special interest legislation and a rip-off of our elderly and a rip-off of our taxpayers.

What did the Senate do? Well, they tried to do the same thing. The Senate counterpart to that bill, called the Medicare, Medicaid and SCHIP Adjustment Act of 1999, would prohibit use of this inherent reasonableness authority until 90 days after the Comptroller General of the United States releases a report of its proposed impact. That would delay this implementation probably for another year. So the House, if we took the best case scenario, probably would delay it for 2 to 3 years. The Senate bill would delay it for at least a year. I am sure a compromise will be made leaning towards the House side, when this bill goes to conference, by members of the Finance Committee. I want members of the Finance Committee to know we are watching. We want to know what they are going to do to start reducing these exorbitant prices people pay for medical equipment. It is not right to stop or further delay HCFA from implementing at least these modest savings.

We gave HCFA the authority in 1997; 2 years later, they just started to act on this. You can see how long it takes them to do something. Just when they are getting ready to make these cuts, to put more reasonableness in the amounts of money we pay, the Congress says, no, stop; put on the brakes. We can't do this. The Congress is standing by—let me rephrase that. The Congress is not standing by. The Congress, under the bills in the Senate Finance Committee and the House Ways and Means Committee, is actively stopping the progress and the process by which we will save taxpayers billions of dollars, an added tax not only on our taxpayers but on our elderly.

We can do something about it. We have shown we can do something about it. We have shown how much we can reduce costs in oxygen and these other items. But now there are elements in this Congress who say, no, we can't do that.

Well, we are going to watch. We will see what the Ways and Means Committee and the Finance Committee do to stop this rip-off of our taxpayers. We have grappled with ways to reduce Medicare expenditures. We passed this limited provision 2 years ago, giving them the authority just so they wouldn't pay grossly exaggerated prices. HCFA said: OK, we are not going to pay grossly exaggerated prices; we will just pay 67 percent more than VA. That is grossly exaggerated. But even to that modest amount of reduction, the House Ways and Means Committee says no.

We all remember the Pentagon and the $500 toilet seats the Pentagon was buying some years ago. It is great news for all of us that the Pentagon isn't buying them anymore. Unfortunately, Medicare is. Taxpayers don't deserve to be ripped off and to have all of their money go for this gross waste and abuse in the Medicare system. Again, I know it is the waning hours of the Congress. We are all going to be getting out of here, I guess next week, they tell us. There is going to be a balanced budget amendment fix. We are going to look to see whether or not the special interests have gotten their way once again to rip off the taxpayers of this country and the Medicare system.

I may not have the opportunity to take the floor after that is done. We may be recessed or adjourned until next year. But we will be back, as will the taxpayers of this country and the elderly people and their families who have been getting ripped off for far too long. We will be back to make sure we get competitive bidding once and for all to save our taxpayers a lot of money.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DURBIN. Mr. President, before us is S. 625, a bill relating to bankruptcy. It is a bill with which I have some knowledge and experience because last year I was a member of the Senate Judiciary Committee and a member of Senator GRASSLEY's subcommittee. We spent a great deal of time preparing this bill for consideration on the floor of the Senate. I enjoyed very much working with Senator GRASSLEY on the bill. He has become not only a trusted colleague but a good friend in the process. We have had our disagreements, but we have tried to resolve them amicably and in the best interest of the legislation.

I also salute a number of staff people who have been at this task for a long time: John McMickle, a member of Senator GRASSLEY's staff; Kolan Davis; Jennifer Leach, who now works for Senator TORRICELLI on the Democratic side; Darla Silva, a member of my staff who is with me today on the floor; her predecessor, Victoria Bassetti, now legislative director for Senator JOHN EDWARDS. All of these staff people have put in so many hours that we could not calculate it to consider this significant revision of the bankruptcy law in the United States of America.

As this bill comes to the floor, I still have many concerns about it. I think most honest critics would suggest this was not a bill that came from the demands of our mailbag or the American people. I scarcely find any members of the bar living in the State of Illinois who are begging me for a big change in the bankruptcy law. No, this law was inspired and has been pushed for several years by the credit industry. The credit industry was becoming increasingly concerned that more and more people were filing for bankruptcy. As these people filed for bankruptcy and are discharged from their debts, their creditors and credit card companies receive less money. So they came to Congress and said: We want to change the law and make it more difficult for people to file for bankruptcy.

In other words, when you are down and out and cannot pay your bills, when your income is such that you cannot meet your obligations, when you have tried everything and you have given up hope and you finally have said, ''We have no choice but to declare bankruptcy and to try to start over,'' this law is going to say, stop, we may not let you do it because there are two different kinds of bankruptcy at issue. One is the so-called chapter 7 bankruptcy, where you walk in and, after a court proceeding and all the evidence is presented, the final act of the court is to clear your debt and to say now you can start over. Of course, you start over with very few assets and with that specter of having filed for bankruptcy over your head.

The alternative is something called chapter 13. Chapter 13 says, stop, we won't let you declare bankruptcy, we won't clear off all of your debts, and we are going to make you pay all or part of those debts over a lengthy period of time.

Those are two different outcomes. With one, the slate is wiped clean and the other the slate is still filled with many debts that have to be paid off. This bill attempts to define which people belong in which category, which Americans should be so down and out and up against it that they are allowed to have their debts wiped out completely and those who will continue to pay. It is no surprise that the credit industry is determined to keep as many people as possible on the hook and paying off these debts for a lengthy period of time.

Now, in some cases this is warranted. In some cases, people file for bankruptcy when they have assets and they have the means by which they can pay off at least a substantial portion of their debt. As this bill addresses that problem, I applaud it. I think they are right. People who are gaming the bankruptcy system to avoid paying their honest debts are, frankly, a burden on all of us as consumers, as those who are debtors as well. Those people should be excluded from the process. Life should be difficult for them, no matter how good their attorney, if

they try to walk away from a debt they can pay. But that represents an extraordinarily small minority of those in bankruptcy court. The vast majority of those who walk through the doors of bankruptcy courts in America are in big trouble; they need help and need it quickly.

Unfortunately, this lengthy bill will create a process where some families who are absolutely out of options and have nowhere to turn have to walk through a new process of proof before they will even be considered to be discharged in bankruptcy.

Bankruptcy is an interesting concept, not new to the United States. It has been discussed at length throughout history. The history of the relationship between those who borrow and those who loan goes back to ancient times. Throughout history, those who borrow have not always been treated fairly. Under early Roman law, creditors who were unable to collect the debts owed to them were permitted to cut up the debtor's body and divide the pieces, or leave the debtor alive and sell him into slavery.

Thank goodness things have improved. In America, the delegates of the Constitutional Convention gave Congress the power to establish uniform laws on the subject of bankruptcy. Only one delegate to America's Constitutional Convention objected—Roger Sherman of Connecticut. It is said he was concerned that they didn't make it clear that if you file for bankruptcy, you would not be subjected to the death penalty. That is how onerous debt and collection was in those days. Mr. Sherman observed that bankruptcy was in some cases punishable by death under the laws of England, and he did not choose to grant a power by which that might be done in the United States. In response, Gouverneur Morris said he would agree to a bankruptcy clause because he saw no danger of abuse of power by the legislature of the Government of the U.S. I hope Gouverneur Morris' trust was not misplaced.

I have a statement from a bankruptcy judge in Chicago by the name of Joan Lefkow. Judge Lefkow, when she was inducted to be a part of the bankruptcy judiciary, gave an extraordinary statement about the history of this subject. She talked about Charles Dickens and his Pickwick Papers, of the ''Old Man's Tale About the Queer Client.'' It is a story of a man who is cast into debtors prison by his father-in-law and left by his own father to languish in desperation, while his wife and child starved. Dickens wrote: ''It was no figure of speech to say that debtors rotted in prison.''

In a twist of fate, in this story, the debtor's father, although he had ''the heart to leave his son a beggar,'' put off arranging it until it was too late. Thus, the man was freed from prison and provided a means by which he could exact revenge on the father-in-law who cast him into prison. He hired a lawyer to drive his father-in-law into bankruptcy so he could suffer the same fate as the son-in-law. He directed the lawyer, ''Put every engine of the law in force, every trick that ingenuity can devise and rascality execute; aided by all the craft of its most ingenious practitioners, ruin him! Seize and sell his lands and goods, drive him from house and home, and drag him forth a beggar in his old age to die in a common jail!''

Those were the good old days when a debt led to a big problem when people could end up literally rotting in prison.

We decided in the United States to take a different course of action and to establish a bankruptcy procedure so that American families and businesses faced with that awkward and painful and embarrassing moment might have recourse. Our bankruptcy system is part of it.

But bankruptcy has become extremely technical and convoluted. During the course of this debate, we talk about cram-downs and reaffirmations and panel trustees and automatic stays, nonchargeable debt, prior debt, secured debt, and even something known as ''supper discharge.''

The bankruptcy code is a delicate balance. When you push in one area to create greater rights, or take rights away, it has an impact on another area. That is because no matter how hard you try at bankruptcy court, there is a very limited pie. All we can do is increase the fighting over that small pie, and usually no one wins that fight.

Mr. President, I note that my colleague from Wisconsin is on the floor. I believe he is prepared to offer an amendment. I ask permission of the Chair to yield the floor to my colleague from Wisconsin, and I ask consent that after he has completed his statement, I reclaim my time and continue.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

Mr. KOHL. I thank Senator DURBIN very much.

Mr. President, I rise to offer an amendment with Senator SESSIONS to eliminate one of the most flagrant abuses of the bankruptcy system—which is the unlimited homestead exemption. This bipartisan measure will cap the homestead exemption at $100,000, which is more than generous. Last year, the full Senate unanimously went on record in favor of the $100,000 cap and emphasized that ''meaningful bankruptcy reform cannot be achieved without capping the homestead exemption.'' I am proud that Senator GRASSLEY—the underlying bill's lead sponsor—is a cosponsor of this measure. Our proposal closes an inexcusable loophole that allows too many debtors to keep their luxury homes, while their legitimate creditors—like children owed child support, ex-spouses owed alimony, State governments, small businesses, and banks—get left out in the cold. Currently, a handful of States allow debtors to protect their homes no matter how high their value. And all too often, millionaire debtors take advantage of this loophole by moving to expensive homes in states with unlimited exemptions like Florida and Texas, and declaring bankruptcy—and then continue to live in a style that is no longer appropriate. Let me give you a few of the literally countless examples:

The owner of a failed Ohio S&L, who was convicted of securities fraud, wrote off most of $300 million in bankruptcy claims, but still held on the multi-million dollar ranch he bought in Florida. A convicted Wall Street Financier filed bankruptcy while owing at least $50 million in debts and fines, but still he kept his $5 million Florida home—with 11 bedrooms and 21 bathrooms. And just last year, movie star Burt Reynolds wrote off over $8 million in debt through bankruptcy, but he still held onto his $2.5 million Florida estate.

Sadly, those examples are just the tip of the iceberg. We asked the GAO to study this problem and, based on their estimates, 4 homeowners in Florida and Texas—all with over $100,000 in home equity—profit from this unlimited exemption and each every year. And while they continue to live in luxury, they write off annually an estimated $120 million in debt that is owned to honest creditors.

My favorite GAO example is a Texas bankruptcy attorney who boasts of refusing representation to anyone who piles up credit card debt on the eve of filing bankruptcy. For that stand against abuse, she deserves credit. But when her own finances went sour, she took a dramatically different view: she wrote off $1.2 million in debt, while holding onto her $400,000 home.

Mr. President, this is not only wrong, it is unacceptable. As you can see, while the unlimited homestead exemption may not be the most common abuse of the bankruptcy system, it is clearly the most egregious. If we really want to restore the stigma attached to bankruptcy—as this bill purports to do—then these high profile cases are the best place to start. Mr. President, we need to stop this high living at the expense of legitimate creditors. But the pending bill falls short. Instead of a cap, it only imposes a 2 year residency requirement to qualify for a State exemption. And while that's a step, it will not deter a savvy debtor who plans ahead for bankruptcy and it will not do anything about in-state abusers such as Burt Reynolds. This $100,000 cap will stop these abuses, without affecting the great majority of States, two-thirds of which responsibly cap the exemption at $40,000 or less.

Let me make one additional point, and respond in advance to the most spurious—of the many spurious—arguments made by the other side: that this issue is really about States rights. Mr. President, that is pure hokum. Anyone who files for bankruptcy is choosing to invoke Federal law in a Federal court to get a uniquely Federal benefit—a

''fresh start'' through a huge debt write-off. In these circumstances, it's only to impose Federal limits. And just because something is in a State ''constitution'' doesn't make it sacrosanct. A cap is not only the best policy, it is sends the best message: That bankruptcy is a tool of last resort, not just a tool for financial planning. And it gives credibility to reform by going after the worst abusers, no matter how wealthy they are. So honestly, this amendment should be a no-brainer. Indeed, if we want to apply antiquated bankruptcy laws, maybe we should resurrect ''the debtors' prison.'' At least then we would be punishing the worst offenders, rather than rewarding them.

AMENDMENT NO. 2516

(Purpose: To limit the value of certain real or personal property a debtor may elect to exempt under State or local law)

Mr. KOHL. Mr. President, I ask unanimous consent to set aside the pending amendment, and I send an amendment to the desk.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin (Mr. KOHL), for himself, Mr. SESSIONS, and Mr. GRASSLEY, proposes an amendment numbered 2516.

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

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

The amendment is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . LIMITATION.

Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

(2) by adding at the end the following:

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.''.

Mr. KOHL. Thank you, Mr. President.

I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois, under the previous order, is recognized.

Mr. DURBIN. Thank you, Mr. President.

I fully support the amendment offered by Senator KOHL and Senator SESSIONS. This gets to the heart of it. This would be a real test as to whether or not we are going to close one of the major loopholes in the bankruptcy law, a homestead exemption loophole where a person goes into the bankruptcy court and says: I am broke. I can't pay my debts.

The court says: Well, I guess we will have to discharge these debts. You can't pay them. But, of course, you keep your home.

Different States define how much value there could be in that home. We have seen in case after case where some have received a lot of publicity and we have people who are holding back homes that are worth hundreds of thousands if not millions of dollars under this homestead exemption and keeping that out of court. This is a ruse. It is a fraud.

I thank Senator KOHL and Senator SESSIONS for their leadership in introducing this amendment. I hope it passes.

Incidentally, this same amendment was defeated in the House of Representatives in the last session. I am not sure if they voted directly on it in this session. But it gives you an indication that some in the House who pound the table for reform in bankruptcy are the last in line when it is going to stop the fattest of cats from protecting themselves from bankruptcy by buying these huge homes and ranches.

I hope Senator KOHL is successful. I will be supporting him in every way I can.

Let me tell you one of the reasons I am here today to discuss this bankruptcy code. It is because of the increase in filings over the last several year. It is true that more people have gone into bankruptcy court.

It is an interesting thing that as our economy improves more people file for bankruptcy. Logic would argue just the opposite. But apparently people get into a frame of mind where they are so optimistic that they get strung out with too much debt. They never think they are going to lose a job.

They never think they will face a divorce. They never anticipate the possibility of medical expenses for which they cannot pay.

Mr. SESSIONS. Will the Senator yield?

Mr. DURBIN. I yield for a question.

Mr. SESSIONS. I ask if I might offer briefly a second-degree amendment to this and then return the floor to the Senator from Illinois.

Mr. DURBIN. I am happy to yield to the Senator for that purpose, with consent I reclaim the floor.

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

AMENDMENT NO. 2518 TO AMENDMENT NO. 2516

(Purpose: To limit the value of certain real or personal property a debtor may elect to exempt under State or local law)

Mr. SESSIONS. Mr. President, I send a second-degree amendment to the KOHL amendment to the floor.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself, Mr. KOHL, and Mr. GRASSLEY, proposes an amendment numbered 2518 to amendment No. 2516.

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

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

The amendment is as follows:

In the amendment strike all after the first word and insert the following:

3___. LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

(2) by adding at the end the following:

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.''.

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking ''522(d),'' and inserting ''522 (d) or (n),''; and

(2) in paragraph (3), by striking ''522(d),'' and inserting ''522 (d) or (n),''.

Mr. SESSIONS. I yield the floor.

Mr. DURBIN. Mr. President, as I mentioned earlier, there has been a dramatic increase in filings for bankruptcy over the last several years—30 percent in some years.

People ask, How can this be? Of course, I think it is overoptimism. Folks in a good economy don't think anything will go bad; sometimes they do, and people who thought they had the world by the tail end up in bankruptcy court.

There is another factor at work here, as well. As Senator TORRICELLI of New Jersey, the Democratic minority spokesman on this committee, noted earlier, everyone who has a mailbox knows what is going on when it comes to credit cards. There is scarcely a day that goes by in my home in Springfield, IL, that there is not another solicitation for another credit card. In fact, some of the solicitations come in the name of my daughter who married years ago and hasn't been at that address for a long time. Some group has captured her name and address and continues to offer her credit cards on a monthly basis.

I asked my staff how many of them had been solicited likewise. It turned out everybody has received these solicitations. In fact, one of my staffers sent me a recent offer for a credit card that was sent to my godson. He is about 6 years old. I don't think he is creditworthy yet, but obviously some

companies have taken a hard look at him and are considering whether or not Neil Houlihan needs to have a MasterCard at the age of 6. I hope that isn't an indication of what is happening across America.

I think we all know that part of the reason so many people end up in bankruptcy court is because we are flooded with easy credit. Easy credit has a good side and a bad side. Easy credit says to a person who traditionally could not qualify for credit that they now have a chance. I am told historically a waiter or waitress was unlikely to get a credit card because they didn't have a steady and predictable income. Those days have changed, thank goodness. People in those professions and occupations are given that opportunity for credit.

The bad side is that it extends credit, easy credit, to people who are already in over their heads. It doesn't parse out those who deserve credit and who can use it responsibly from those who are just going to dig a deeper hole and find themselves in short order facing a bankruptcy court judge. That, I think, is an indication of why so many people are starting, or did start, to use the bankruptcy courts.

The latest statistics for filings in bankruptcy have started to trail off. What appeared to be a national growing trend has changed. This year, second quarter filing reports show a drop in 42 States, including double-digit decreases in 14 States. We have to ferret out those people who abuse the bankruptcy system, but not at the expense of those families and businesses that need it.

The sad but obvious fact is that the people who declare bankruptcy are poor. The average income of a person who declares bankruptcy is $17,652. In 1981, the average income was $23,254. People in our bankruptcy system are just getting poorer. One would not believe that to be the case listening to the debate, the suggestion that so many people are coming into the bankruptcy court who are loaded with money, who, through crafty attorneys and their own ingenuity, are able to avoid their responsibility.

However, statistics tell a different story. By and large, the people showing up in bankruptcy court are poor people, with $17,652 as the average income of a person filing bankruptcy. If memory serves me, average indebtedness is roughly $25,000. These people have more than a year's income in debt before they finally show up in bankruptcy court.

As distasteful as bankruptcy is, the fact remains: We need the system. We shouldn't change it radically. By and large, it works. Let me give a few examples of people who are filing.

The three major reasons for filing bankruptcy are employment, health care costs, and divorce. Older Americans are less likely to end up in bankruptcy than their younger counterparts. But when they do file, a larger fraction of senior citizens—nearly 40 percent—give medical debt as the major reason for filing. Think about it: A catastrophic illness catching a family by surprise, particularly a senior with limited income and fixed resources, ends up in bankruptcy court because there is no place else to turn.

The second category is women raising families. Both men and women are likely to declare bankruptcy following divorce. Collectively, the bankruptcy sample has 300 percent more divorced people than the population in general. Families already stuck with consumer debt cannot divide their income to support two households and survive economically. Divorced women file bankruptcy in greater proportion than divorced men.

Before being elected to Congress, I was a practicing attorney in Springfield, IL. I was an attorney in hundreds of divorce cases. Almost without fail, the woman at the end of the divorce case had less money to try to meet the needs of her children and herself. Sometimes they are pushed too far. Many times, they end up in bankruptcy court.

Keep in mind as we debate these bills and whether we are going to run people through a means test with all sorts of questions to be answered and, if they miss an answer, thrown out of court, we are talking about older Americans and divorced women who are struggling to keep their family together.

Unemployed workers: More than half the debtors who file for bankruptcy report a significant period of unemployment preceding their filings. For single-parent households, a period of unemployment can be devastating.

Let me comment on this current bill. I favor the bill we passed last year. I think the Senate favored the bill we passed last year by a vote of 97–1. It is pretty odd in this Chamber to have 97 Senators agree on a bankruptcy bill. I think it was a better bill, better than the bill now before the Senate. I hope we make changes in this bill to bring it closer to last year's bill.

The changes should center around three themes: First, ensure fairness to women and children while ensuring that wealthy debtors pay their fair share. This can be accomplished by Senator KOHL's amendment, which Senator SESSIONS has cosponsored, which establishes a cap on the homestead exemption of $100,000 and ensures as well that women are not competing with credit card companies in collecting child support after the bankruptcy is over. This is a critical point that has been raised by Elizabeth Warren of Harvard as well as some 82 different bankruptcy professors across the United States who have written to Members of the Senate and asked them to be very sensitive to the fact that what we do in this law could make life more difficult, if not impossible, for women trying to raise their children after a divorce.

Alimony and child support payments oftentimes are a major part of the income on which they live. When we allow credit card companies and finance companies to grab more in bankruptcy and hang on to more after bankruptcy, it lessens the likelihood that the divorced woman trying to raise a child is going to be able to have any pot of money to draw from for help. It is just the bottom line. This is a pie of limited proportions after a bankruptcy. If the credit card companies can stay there, taking the money away from that former husband who filed for bankruptcy, many times it will be at the expense of his children and his former wife. That is a fact. It is a cruel fact. It is one that has not been overcome to date by anything suggested in this bill or on the floor.

Merely changing the priorities in the bankruptcy system, making the alimony and child support payments a higher priority, takes care of what happens in court, but after bankruptcy, then we have a problem. The same mother of the children trying to draw money from what is left after bankruptcy and income finds she is competing with credit card companies and others that have been given more rights under this bill to claim more money after the bankruptcy has been initiated.

Second, this bill needs to be more cost effective and less expensive for taxpayers. This can be accomplished by providing a safe harbor for means testing for a below-median debtor and streamlining the tests for debtors above the median income to eliminate needless paperwork.

A cliche I learned as a kid, as everybody learned, I am sure, over and over again: You can't draw blood from a turnip. In some cases, people in bankruptcy court, no matter how hard we try or how hard we look, are never going to have the money to pay off the debt. It is more sensible for us to step back and say, let's focus on those who are abusing the system rather than adding more paperwork requirements on those who will never be able to pay off their debts.

Let me give an illustration from the same law school professors who wrote to every Member of Congress about a recently completed study. Since last year's debate on bankruptcy reform, a study was funded by the independent, nonpartisan American Bankruptcy Institute. They found that less than 4 percent of consumer debtors could repay even 25 percent of their unsecured nonpriority debts, even if they could dedicate every penny of income to a repayment plan for a full 5 years. In short, for about 96 percent of consumer debtors, chapter 7 bankruptcy is an urgent necessity.

The fact that most debtors cannot pay more does not mean this means test will not affect them, though. Mr. President, 96 percent of those who file in bankruptcy court cannot pay more, according to the study. They are really up against it. They need to file for bankruptcy. Yet we find in this law the

requirement that they still go through this rigorous standard of means testing and examination to question whether or not they can file for bankruptcy. I hope we will adopt the House standard at least, which says those at median income will be absolved from going through this lengthy test in bankruptcy court. People making median income in this country, filing for bankruptcy, are not likely to be able to pay off many of their debts.

Further, we ought to require that those earning up to 150 percent of median income should be subject to a reasonable screening to determine if it is possible they could pay back some of these debts. But to make every single person who walks into that court go through this process is unfair, it is burdensome, and it is not of any benefit to taxpayers or, ultimately, to creditors.

In addition, this bill needs to acknowledge the credit industry's role in increasing the number of bankruptcy filings. In order for this bill to be balanced, we have to enact additional disclosures on credit cards to allow debtors to make an informed choice about their credit. I had a lengthy list of disclosures included in last year's bill. Some have survived; some have been changed; some will be offered again on the floor. But is it unreasonable for us to say to these credit card companies that shove these credit cards at us faster than we can put them in our wallets, that they at least have to give us an honest monthly statement which tells us a few basic things? Isn't it reasonable to look at that statement, where it lists ''minimum monthly payment,'' and then say: If you make the minimum monthly payment, it will take X months to pay off the balance, and when you pay off the balance, you will have paid X dollars in interest and X dollars on principal?

That is not a tough calculation in the world of computers. The people who send us the bills have all sorts of information they want us to read and absorb. Shouldn't we at least know the bottom line? We may be too deep in debt. Maybe another credit card is not a good idea. That is not an outrageous suggestion where I live. But when we suggested that to the credit industry, they blanched and said: Oh, never can we do that; we cannot make that kind of disclosure.

They certainly can. The question is whether they will. That question will be answered by the Senate when it decides whether the consumers deserve more information so they can make informed credit choices. This is not a question of rationing credit. It is a question of informing debtors and informing those who are going to buy the credit cards as to what their obligations are going to be.

Let me give one example on a chart which is an illustration of the credit card debt in America charted against bankruptcy cases. I think this chart tells the story about why we have more bankruptcy cases in the United States. If you will notice the blue line here, it represents bankruptcy cases from 1962 to 1995. The red line indicates debt-to-income ratio.

Do you want to know why there are more cases being filed in bankruptcy court? People are getting deeper in debt; they have more credit cards. That is what it is all about. When we had the first hearing on the subject, some of the people from the credit industry came in and said:

> American families just don't think there is a moral stigma attached to bankruptcy any longer. They are filing for bankruptcy without really feeling bad about it.

I take exception to that. I am sure there are some who are gaming the system and trying to figure out how to win, but the folks I have run into, filing for bankruptcy was a sad day when they finally had to concede they just hadn't handled things right, or faced a problem they couldn't manage, and had to go to bankruptcy court. It wasn't a proud day for the family. You don't hold a party when you go into bankruptcy court.

When it comes to moral stigma, I said to the people in the credit industry: You say folks are taking bankruptcy more lightly these days. Let me ask about the credit cards you are sending college kids and kids who have virtually no income and no credit history, with no questions asked? And what about those ATM machines at the casinos. You are talking about moral stigma. Is your industry sensitive to the mores of America in the way you offer credit and money to people regardless of whether it is a good idea or not?

I think there are two sides to the story. I think, unfortunately, this bill only addresses one side of it. According to the Federal Reserve Board, there are 429.2 million Visa and MasterCards in circulation in the United States. The number of cards per cardholder increased in 1998 to a total of 4.2 credit cards per person.

In addition to the solicitations we receive in the mail, telephone calls are made. In fact, 1998 was a banner year for solicitations for credit cards. The credit industry sent out 3.45 billion direct mail solicitations during 1998, an increase of 15 percent from the 3 billion in the previous year, and 2.4 billion in 1996.

Interestingly enough, there are only 78 million creditworthy households in the United States. Yet, as you can see by the numbers, there were 3.45 billion credit card solicitations. That is why your mailbox is full at home.

We even have proof the credit industry is targeting people in bankruptcy. Let me show you this. Talk about moral stigma. This is a solicitation offered by FirstConsumers National Bank in Portland, OR, and Beaverton, OR. To whom do they send this solicitation? People who file for bankruptcy. They want them back in debt. Let's get them back into debt.

In case you think it is easy to file for bankruptcy and pick up a credit card, they generously offer you an annual percentage of 20.5 percent, and if you stumble, it goes up to 25 percent interest. So the credit card companies that talk about the morality of the situation are quick to jump on the folks coming out of bankruptcy court and give them a very expensive credit card. That is not much of a fresh start as far as I am concerned.

Why is this occurring? We often debate these issues and don't get down to the bottom line. Why is the credit card industry so intent on reducing the number of people in bankruptcy courts who can discharge their debts? Why do they want to keep people paying on the debts? There is money to be made.

Between 1980 and 1992, the rate at which banks borrowed money fell from 13.4 percent to 3.5 percent. During the same period, the average credit card interest rate rose from 17.3 percent to 17.8 percent. Notice the spread. It used to be you had credit card interest rates of 17.3 percent when the banks were borrowing money at 13.4 percent. Now the credit card interest rate average goes up to 17.8 percent and the banks are borrowing the money they give to you at 3.5 percent. This is a big winner for these credit card companies. They want to keep people getting credit cards as they walk out of the bankruptcy courts. There is money to be made. It is a profitable business. The aggressive marketing campaign is going to continue as long as there is money to be made.

Of course, it is going to mean people are going to get in over their heads. You basically cannot have it both ways. You cannot recklessly offer credit to financially vulnerable people without increasing the number of bankruptcies. The credit industry knows this and so do a lot of conservative magazines. The London-based Economist, in a recent editorial about the reckless marketing of credit cards, wrote:

> Given its readiness to hand out money with almost no questions asked, the credit card industry's demands that Congress stop the rapid increases in filings for personal bankruptcy ring hollow.
>
> No doubt many people have benefited from the credit revolution that gave them an ability to borrow they have been denied in the past. And certainly, borrowers unable to meet their obligations bear some responsibility for their woes.
>
> Yet it is pure hypocrisy for credit card firms to complain that personal bankruptcy has lost its traditional stigma. For they have been deliberately directing their sales efforts at people on the edge of financial distress.

The rise in bankruptcies tracks consumer debts, and that is a fact. So in these times it is even more important for people to be fully informed about and careful about the credit card debt they rack up. That is why this legislation, which gives the consumer as much information as possible, is more important than ever.

I am confident we can approve this bill on a bipartisan basis. I pray we will

not have the same experience as last year. We passed a bankruptcy bill in the Senate by a vote of 97–1. It went to the conference committee, and I was a part of and assigned to that conference committee. We had an introductory session where we smiled at one another, shook hands, and left the room. That was the only meeting of that conference committee.

Within a matter of hours, that same conference committee, with only one political party represented—not my own—came back with a bill and said: Take it or leave it. Thank goodness the Senate said leave it. It was a bad bill. If this bill is going to escape a similar fate, it needs to be negotiated in good faith on a bipartisan basis.

I am offering an amendment designed to penalize a growing category of high-cost mortgage lenders who lead vulnerable borrowers down a rose garden path to foreclosure and bankruptcy. These lenders prey with shame on low-income elderly and financially unsophisticated people, jeopardizing their lifelong investments and hard work in home ownership.

The number of older Americans who are so financially vulnerable that they end up going to bankruptcy court to deal with overwhelming debt is considerable. In 1998, more than 280,000 Americans age 50 or older filed for bankruptcy. The number of Americans age 55 and older filing has grown by more than 120 percent since 1991. Those age 50 and 55 is the fastest growing age group in bankruptcy.

Last year, during the Senate Judiciary's Committee debate on bankruptcy, I offered an amendment designed to curtail one terrible practice that plagues senior citizens: predatory high-cost mortgage loans targeted to the low-income elderly and financially unsophisticated. The amendment was part of the bill that passed 97–1. My colleagues may already be aware of the problems that are cropping up in the home mortgage industry. Let me explain.

In recent years, there has been an explosion in subprime high-interest loan markets. In the Chicago area, these lenders made 50,000 loans in 1997. This map shows foreclosures on subprime loans in Chicago in a 12-month period of time.

In the Chicago area, there were more than 50,000 loans in 1997, 15 times as many as in 1991, when they originated 3,137 loans. Even more dramatic than the increase in subprime loans has been the increase in foreclosures. Subprime lenders foreclosed on 30 loans in the Chicago region in 1993, 2 percent of the foreclosures that year.

In June of 1998 to June 1999, the subprime lenders foreclosed on 1,917 loans, 30 percent of the year's total foreclosures. Why is the growth of this industry of concern? Two reasons: First, these companies use reprehensible tactics and predatory lending practices to conduct their business and, second, because of the vulnerable victims—senior citizens and low-income people—whom they target.

I will tell a story that demonstrates the problem. In Decatur, GA, a 70-year-old woman named Jeannie McNab, retired, living on Social Security benefits, in November 1996 with the help of a mortgage broker obtained a 15-year mortgage loan from a large national finance company in the amount of $54,300. Her annual percentage rate on this mortgage loan was 12.85 percent, and under the terms of the loan, she would pay $596.49 a month until the year 2011 when she then would be required to make a total final payment of $47,599. Think about it: 15 years from now, when this woman is 85 years old, she will be saddled with a balloon payment that she can never possibly make and face the loss of her home and her financial security, not to mention her dignity and her sense of well-being.

She paid a mortgage broker $700 to find and fund this unconscionable loan, a mortgage broker who, to add insult to injury, collected a $1,100 fee from the mortgage lender.

Unfortunately, Mrs. McNab is a typical target of high-cost mortgage lenders. She is an elderly person living alone on fixed income, just the type of person who may suddenly encounter a financial obstacle and turn to this type of loan for assistance.

According to a former career employee of the subprime mortgage industry who testified anonymously last year before Senator GRASSLEY's Special Committee on Aging—this may sadden you:

> My perfect customer would be an uneducated woman who is living on a fixed income, hopefully from her deceased husband's pension, and Social Security, who has her house paid off, living off credit cards but having a difficult time keeping up with credit card payments.

The perfect target, according to this anonymous witness before Senator GRASSLEY's committee. This industry professional candidly acknowledged that unscrupulous lenders specifically market their loans to elderly widowed women, blue-collar workers, people with limited education, people on fixed income, non-English speaking people, and people who have significant equity in their homes. With lump sum balloon payments and terms that cannot be rationalized, they ensnare these folks and take away the only asset they have left on Earth—their home.

When that occurs, these people should not be able to go into court, once that person has defaulted on this mortgage, and recover. They have defrauded the individual who has borrowed the money. They are guilty of predatory loan practices and they should not receive the same treatment as an honest creditor who comes to court looking for compensation.

The amendment which I will offer will do several things. When a person such as Jeannie McNab goes to bankruptcy court seeking help from overwhelming financial distress the lenders caused her, the claim of the predatory home lender is not going to be allowed. If a lender has failed to comply with the requirements of the Truth in Lending Act for high-cost second mortgages, the lender will have absolutely no claim against the bankruptcy estate. The unscrupulous high-cost mortgage lender will not recover the fruits of their ill-gotten gain.

This amendment has been opposed by a lot of mortgage companies and banks that ought to know better. They are standing in defense of these predatory lenders who are taking advantage of vulnerable people and saying: We cannot treat them any differently; we cannot treat them harshly even if they abuse the system.

That is a sad commentary on the credit industry and it is a sad commentary on the mortgage industry that they will not join me and the Members of the Senate in ferreting out those who are exploiting people across America with these second mortgages and subprime mortgages which ultimately are indefensible—absolutely indefensible—as we found time and again. If the credit industry wants to defend those loans, it casts a real question and suspicion and doubt as to their sincerity in dealing with borrowers across America. I hope they will change their point of view and support this amendment.

I made some changes in the amendment to accommodate the industry to make it clear we are not going to deal with technical violations to disqualify those who try to collect in bankruptcy court. We are going after the bad guys.

I added a materiality requirement so the violations must be a material violation in order for the claim to be invalid. The amendment will apply to situations where a lender engages in the practice of lending based on home equity without regard to the borrower's ability to repay, or a lender makes direct payments to a home improvement contractor instead of to the borrower, or when the lender imposes illegal fees, such as prepayment penalties or increased interest rates at default, or imposes a balloon payment due in less than 5 years.

These illegal practices are not technical violations. I ask my colleagues to join me in this effort to protect the elderly by stopping predatory lending practices by adopting this amendment.

I send my amendment to the desk.

The PRESIDING OFFICER (Mr. ROBERTS). The amendment will be filed.

Mr. DURBIN. I thank the Chair.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I am pleased to have the opportunity to speak generally on the bankruptcy legislation that is now before the Senate.

First, I praise my friend and colleague from Illinois who has, on all issues, been extremely dedicated, hardworking, and effective on this bankruptcy issue. This is an important

issue and a complex area of the law that has an impact on millions of Americans and, of course, on businesses all across the country.

This is an important debate, and I expect we will be on the floor for some time, because many of us have serious concerns about this bill and expect to offer quite a number of amendments to try to improve it.

As I said, the issues raised by bankruptcy legislation are extremely complicated. The stakes are high. The different viewpoints are passionately expressed by all of the players involved, from the different types of creditors to bankruptcy judges, trustees, and practitioners, to consumers and potential debtors.

We have a long legislative history to contend with here. We have been working on bankruptcy reform legislation for some time now, beginning with the appointment of the National Bankruptcy Review Commission in 1994, and the issuance of the commission's report in 1997. In the last Congress, the Senate passed reform legislation by an overwhelming margin. That bill was itself a compromise among the various interests. But a conference committee sent a much different, much more one-sided bill back to us, and I am happy to say, that bill died at the end of the session.

My view is that the legislation before us is only slightly less objectionable than the legislation that came out of conference last year. S. 625 is not a balanced piece of legislation. It tilts the scales too far in favor of certain types of creditors, and denies reasonable protections of the law not just to those trying unfairly to evade financial obligations they really can afford to meet, but also to honest hardworking families and single parents, who have come upon hard times and need the fresh start and breathing room that our bankruptcy system offers to give them a chance to survive. In too many cases, I am afraid, that will hinder families' ability to meet other obligations, particularly their obligations to their own children and to local taxing authorities.

In many ways, this is a bill at war with itself. Many of the provisions are designed to shift more money into the hands of unsecured creditors, while other provisions are designed to shift that same pot of money back to car lenders and different unsecured creditors. The bill is supposedly intended to move more debtors from the complete discharge of debts available under chapter 7 of the code into chapter 13 repayment plans. But chapter 13 trustees and others have testified that many provisions in the bill will decrease the success of chapter 13 repayment. The bill supposedly increases personal responsibility, and yet it would favor people who have two new cars over people who own older cars or who take public transportation. And the bill is said to be aimed at deadbeats and abusers of the system, not honest but financially troubled low-income people, and yet it penalizes renters, as opposed to homeowners. And whereas we often try to promote small business entrepreneurship in legislation, in this bill we sometimes seem to impose stricter rules on small businesses than we do on large businesses.

So, does the Senate really want to endorse these policies? Is it really our goal to send these mixed messages? I urge my colleagues to pay close attention to this very important debate. We do a lot in this body that in the end seems to just be symbolic. This bill is not symbolism. We cannot simply pass this bill and say we have struck a blow for personal responsibility. Because this bill will have real consequences in the real lives of real people. And I fear that in too many cases those consequences will be very damaging.

I do want to comment for a moment on the process that has brought us here. I mentioned before that the Senate considered bankruptcy legislation in the last Congress. But in this Congress, we didn't have a single hearing on this bill. Let me repeat that because it is so disturbing for a bill of this magnitude and complexity. The Senate Judiciary Committee did not have a single hearing on bankruptcy reform or S. 625—not one.

Now, to be fair, there was one joint hearing that was held over at the House with two subcommittees of jurisdiction—one hearing. And it occurred on a day that Senators happened to be involved in a very long series of votes—I believe it was one of our so-called ''vote-arama'' sessions—which meant that none of the Senators on the subcommittee could take advantage of the lone opportunity for public discussion of this bill. Other than that one hearing, the Senate of the United States had no hearings whatsoever on bankruptcy reform this year.

I did not understand the rush to report this bill from committee without hearings, and I still don't. Why didn't we hear from the bankruptcy judges, and the trustees, and the disinterested academics, and the practitioners about how and whether this bill will work? Why didn't we get their views in a formal and considered way, and try to address their concerns?

To say that this bill is just a repeat of last year's bankruptcy debate is just not right. This legislation is far too complicated and far too reaching to make that facile claim. This bill is actually different from last year's Senate bill in more ways than it is similar. In many ways, it is a brand new piece of legislation for this body. Last year's Senate bill was almost exclusively consumer bankruptcy oriented. This bill not only takes a different approach to consumer bankruptcy, but it has dozens of provisions affecting a variety of tax issues, municipal bankruptcy cases, single asset real estate cases, small business cases, and health care cases, in addition to a host of changes to general chapter 11 bankruptcy that may dramatically change the rules governing the reorganization of our Nation's largest businesses. We never discussed most of these issues at the committee level. We have received many warning signs from those who understand the bankruptcy system far better than any of us do. I am afraid to say, what is being done here is actually irresponsible.

Why has this happened? Well, the sad truth is that all of us know why. A very wealthy and powerful industry has pushed and pushed and pushed for this bill, and so far the Congress has ignored the experts and done the industry's bidding. The credit card industry wants this reform because it wants protection from its own excesses. You see, the industry has flooded the mailboxes, and the phones, and the e-mail in boxes of America with offers of easy credit. Americans received over 3.45 billion credit card solicitations in 1998. Anyone can get a credit cared, even children, even people who have just filed for bankruptcy.

I favor empowering citizens and broadening their options using credit to bring more convenience to their lives as consumers. But the industry has been irresponsible in extending credit to those who cannot handle it. And now the industry has come to Congress for help. Now the industry wants the bankruptcy system to protect it. I say to you, Mr. President, that is not right.

The industry hasn't come to us hat in hand, however. It has come with an open checkbook. As you know, Mr. President, from time to time on the floor in recent months, I have noted that contributions of different players in the legislative process that seek to influence our work here with campaign contributions. This bill is a poster child for the ''Calling of the Bankroll.''

Like so many issues, bankruptcy reform has been transformed from a policy debate to a vehicle for a special interest agenda. The key ingredient in that transformation is money, plain and simple.

In the last election cycle, according to the Center for Responsive Politics, the members of the National Consumer Bankruptcy Coalition, an industry lobbying group made up of the major credit card companies such as Visa and MasterCard and associations representing the Nation's big banks and retailers, gave nearly $4.5 million in contributions to parties and candidates.

How can a single mother in West Allis, WI, for example, who faces overwhelming debt from medical bills and the loss of child support, compete with the might and financial power of this industry? Her family, and her future will be affected by this bill every bit as much as the credit industry, yet she is not represented in the campaign finance game. And I am afraid that this bill in its current form very much reflects her lack of power.

Some of the campaign contributions from these companies seem to be carefully timed to have a maximum effect.

It is very hard to argue that the financial largess of this industry has nothing to do with its interest in our consideration of bankruptcy legislation. For example, on the very day that the House passed the conference report last year and sent it to the Senate, MBNA Corporation gave a $200,000 soft money contribution to the National Republican Senatorial Committee.

In connection with the joint hearing that was held earlier this year, I submitted a written question to Bruce Hammond, the chief operating officer of MBNA. I asked him about the $200,000 contribution to the NRSC in October 9, 1998, just days after the conference committee reached agreement on a version of this bill that everyone agreed was more favorable to the credit card companies than the bill that the Senate had passed.

This is what I asked him:

(A) As CEO, are you involved generally in the decisions to make soft money contributions to the political parties?

(B) Were you involved in the decision to make this particular donation?

(C) How are decisions on soft money contributions made in your company? Who participates in such decisions? What criteria are followed in making such decisions?

(D) Why did MBNA make a $200,000 donation to the NRSC on October 9, 1998?

Mr. Hammond's written response to the questions was very illuminating. Basically, he decided to ignore these direct and simple questions about the soft money donations of his company, and instead wrote the following:

I find the premise for this question troubling, I hope there is no intention to place bankruptcy reform in a partisan political context. All of us who have worked in support of these legislative reforms have been pleased by the support, cooperation and encouragement we have received on both sides of the political aisle. It has been particularly pleasing to note that in this Congress both the House and Senate bills have had as their original co-sponsors prominent and respected Members of Congress from both political parties.

With all due respect, Mr. Hammond has made my point for me. As I noted, the soft money contributions of this industry have gone to both parties. Actually, MBNA Corp. has only given to the Republican party committees in the last few cycles. But other big lenders, such as Visa USA, BankAmerica Corp., and Citigroup, are giving to both parties. That is what is so insidious about these contributions. They aren't about politics, they are about policy. These companies don't just want to influence elections, they want to influence legislation directly.

So the premise of my questions to the chief operating officer of MBNA Corp. was not to suggest that this bankruptcy bill was partisan, it was to get at the bipartisan problem of soft money and its insidious relationship to the legislative process. I'm sorry that Mr. Hammond decided not to answer my questions directly. I suspect that one of the reasons that he didn't is that direct honest answers to these questions would not be something he would want in the legislative history of this legislation. So he chose to simply ignore the questions. That is unfortunate.

Mr. President, in the current Congress we are seeing another influx of campaign contributions from banks and lenders seeking to influence this bill.

Incredibly, PAC contributions from National Consumer Bankruptcy Coalition members totaled $227,000 in March of this year alone. That's a full 20 months before the next election. But guess what. March 1999 was a month during which the Judiciary Committees of both the House and the Senate were considering the bill. Members of the coalition gave nearly $1.2 million in PAC and soft money contributions in the first 6 months of 1999. During that time period, MBNA Corp. gave $85,000 in soft money to the Republican Party committees, while Visa USA Inc. gave $30,000.

Now I want to be clear here once again. Republicans are not alone in taking in hundreds of thousands of dollars from banks and lenders in this election cycle: During the first 6 months of 1999, the Democratic party committees took in more than four times the soft money from banks and lenders than they did during the first 6 months of the last presidential election cycle in 1995. Soft money contributions overall are up by about 80 percent, but the banks and credit card companies have quadrupled their contributions to my party.

Mr. President, we need to keep in mind as we debate this bill, and the many amendments that will be offered, the extent to which bankruptcy reform has come to be seen as a gift to special interests, particularly the credit card companies. In light of that, we bear an even heavier burden to make sure that we are serving the public interest with this kind of far reaching legislation.

We must open our minds to the recommendations of nonpartisan experts in this field. We haven't done that yet, although some progress certainly has been made between the time this bill left the Judiciary Committee and today. I am pleased, for example, that the requirement that debtors attorneys bear personal financial responsibility for the trustee's cost and fees if the debtor loses a motion to convert a chapter 7 filing to chapter 13 has been eliminated. That provision would have had the result of denying many honest American families adequate legal representation, making them even more subject to abusive and predatory practices by creditors.

But we have a long way to go to make this a balanced bill, rather than a wish list for credit card companies. If we don't do that, we will have filed in our duty to the public and will come to regret our actions.

I sincerely hope that once again we can work together to develop a product that will win a near unanimous vote in the Senate as last year's bill did. A bankruptcy reform bill should be the product of a considered and well-informed debate, not a political dance, where money calls the tune.

AMENDMENT NO. 2522

(Purpose: To provide for the expenses of long-term care)

Mr. FEINGOLD. Mr. President. In a moment I am going to offer an amendment to address one of the many unfairnesses of the means test in this bill. This amendment is focused particularly on expenses that a family might incur because it is paying for medical care for a non-dependent family member.

These kinds of expenses often are referred to in our discussions as expenses for long term care. Long-term care, and particularly fundamental long-term care reform, has been a special focus of mine since I was first elected to the Wisconsin State Senate in 1982.

As I discovered when I began working on this many years ago, long-term care is greatly misunderstood. Even today, when people hear long-term care many think of nursing homes and the elderly.

But that is not the whole story.

According to the Long-Term Care Campaign, while the majority of the over 11 million severely disabled Americans needing long-term care services are elderly, nearly half are either working-age adults or children.

And while many do receive their long-term care services in a nursing home, the vast majority of those needing long-term care receive that care at home.

Long-term care touches many more than just those needing services.

Nearly 6 of every 10 Americans have already experienced a long-term care problem in their own family or through a friend, and more than half of these have provided care to someone who needs services.

The National Family Caregivers Association estimates that between 80 and 90 percent of all long-term care is provided by families.

Caregiving can be an enormous burden on families—physically, emotionally, and financially.

As we found in Wisconsin two decades ago, that burden not only takes its toll on families, but on government budgets and taxpayers since all too often the reason an individual enters a nursing home is not due to their condition, but because the family member caregiver is simply no longer able to care for them.

Though I will not speak at length today about the reforms we need to make to our long-term care system, I do want to note this critical point—we need to build on the informal long-term care that families already provide, not only to allow those needing long-term care services to remain where they prefer, at home with their family, but also because the alternative places a huge burden on State and Federal budgets.

Families that provide personal assistance and other forms of care to

loved ones not only help that loved one, they help the taxpayer.

Families provide an estimated $200 billion in long-term care services every year—services that help keep loved ones at home, and out of expensive institutional settings.

But when families are no longer able for physical, emotional, or financial reasons to care for that loved one, changes are that individual will end up in a nursing home on the joint State-Federal program Medicaid.

When taxpayers pick up the Medicaid tab for nursing home care, it isn't cheap.

According to the Long-term Care Campaign, nursing homes cost an average of $46,000 a year, and for those with severe disabilities or dementia, the costs can be even greater.

Mr. President, much as I might like to, we can't use this bankruptcy bill to reform our long-term care system. But at the very least, we should not be making the current long-term care crisis worse than it already is. And that, I fear, is exactly what the bill in its current form does.

In particular, we should not be discouraging families from caring for a disabled or chronically ill loved one. If a family facing financial difficulties can continue to care for a loved one at home, and keep them out of more expensive taxpayer-funded settings, all of us will benefit.

It is for that reason that I offer this amendment—to make sure that a family's ongoing expenses to provide care for a loved one will be recognized as reasonable and legitimate living expenses for purposes of calculating how much a family is capable of contributing toward repayment of debt.

The means test in the bill provides that a debtors are ineligible for a Chapter 7 discharge if they can supposedly repay 25 percent of their debts or $15,000, which ever is less, over a period of 5 years. Basically, the trustee has to analyze the ability of debtors to repay their debts, looking at their monthly income and their monthly expenses. But the expenses are not actual expenses, they are the expenses set out in IRS standards designed for a wholly different purpose. And these standards do not include as necessary expenses amounts paid for the care of non-dependent family members.

So people who file for bankruptcy are presumed to have abused the system if they don't meet the means test using the IRS standards. And they can rebut that presumption only by showing special circumstances that justify additional expenses.

To do so, they have to provide documentation and ''a detailed explanation of the circumstances that makes the expenses necessary and reasonable.'' So under this bill, debtors with significant long term care expenses are deemed abusers of the system, and they may have to litigate to prove that they are not spending too much to care for their family. The bankruptcy courts are going to be called on to pass judgment on whether the expenses for long term care are reasonable. Some people may be forced to forgo bankruptcy because they cannot afford to both hire a lawyer to fight the presumption of abuse and continue to care for their family members.

This is only one of many examples of how use of the IRS standards makes the means test draconian and unfair. I hope as we debate and amend this bill we will make major changes in how this means test operates. And we should start here, with long term care expenses. This amendment simply provides that the monthly expenses to be analyzed under the means test may include the continuation of actual expenses paid by the debtor for the care of household or immediate family members who are not dependent.

Let's think about the alternative for a moment. Imagine a scenario where someone is in the position of filing for bankruptcy and has significant long term care expenses of a aging parent that are for some reason deemed to be not reasonable. If that individual is prevented from filing for bankruptcy, the need for the long term care doesn't go away. It stays. It may be the reason that the person has to file for bankruptcy in the first place, because the additional burden of the long term care expenses makes it impossible to make ends meet and keep up with payments on accumulated debt.

What choice does this person have if the protection of the bankruptcy laws is unavailable? No choice at all. The care must stop, and the person being cared for goes into a public institution with higher costs to the taxpayers and, more important, untold damage to the family.

I challenge my colleagues to tell us how the simple exception to the rigid IRS standards set out in this amendment will lead to abuse. Are people going to go out and arrange for unreasonably extravagant care for their family members in order to file for bankruptcy and get out of debt? I don't think so. In fact, I think it is insulting.

No, the millions of Americans who selflessly care for their loved ones make a sacrifice that we should honor and encourage. Passing this amendment would be a small step toward recognizing that crucial service to our country that they provide. I urge my colleagues to step back from the misery that this bill might very well inflict and adopt this amendment.

Mr. President, I ask unanimous consent that the pending amendment be set aside so I may offer this amendment.

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

Mr. FEINGOLD. Mr. President, I send my amendment No. 2522 to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2522.

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

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

The amendment is as follows:

On page 7, line 15, strike ''(ii)'' and insert ''(ii)(I)''.

On page 7, between lines 21 and 22, insert the following:

''(II) In addition, the debtor's monthly expenses may include, if applicable, the continuation of actual expenses paid by the debtor for care and support of a household member or member of the debtor's immediate family (including parents, grandparents, and siblings of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case) who is not a dependent.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to set aside the pending amendment and offer Senator DURBIN's amendment No. 2521, which he discussed and filed this morning, and that the Durbin amendment No. 2521 then be immediately set aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2521

(Purpose: To make an amendment with respect to allowance of claims or interests and predatory lending practice)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for Mr. DURBIN, proposes an amendment numbered 2521.

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

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

The amendment is as follows:

On page 29, after line 22, add the following:

SEC. 205. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code is amended—

(1) in paragraph (8), by striking ''or'' at the end:

(2) in paragraph (9), by striking the period at the end and inserting ''; or'' and

(3) by adding at the end the following:

''(10) the claim is based on a secured debt, if the creditor has materially failed to comply with any applicable requirement under section (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639).''

On page 201, line 3 strike ''period at the end'' and insert ''semicolon''.

Mr. FEINGOLD. Mr. President, I yield the floor.

Mr. SESSIONS. Mr. President, I thank the Senator for his amendment and the remarks he made. There are some good questions. We do want to help those who are in nursing homes and so forth.

I am somewhat nervous and troubled by the breadth of the language because economics is a fairly crystal science in a lot of ways. This just says you want

to help a dependent. In effect, what he is saying by this amendment is that a debtor who owes people who he has gotten benefits from and promised to pay them money, he won't pay them; he will be able to take money they should get and apply it to the family members to whom he wants to give it.

I don't know whether that is a good proposal for this bill or not. As he said, maybe we can't fix health care in the bankruptcy bill. Maybe not. We will be glad to review that, and I am sure Senator GRASSLEY will.

I wish to make a number of points about some of the issues that have been raised because I do so strongly believe this piece of legislation is good. I believe it is going to make a major step forward in improving bankruptcy and having more fairness, eliminating these complaints that all of us are, in fact, hearing from people in our States who have been abused by the process in bankruptcy. Many times they blame the lawyers, and sometimes so do I. But the truth is, lawyers are using the laws we pass. It is our responsibility, if the law isn't working, to come to this floor and present legislation to fix it.

Over 70 percent of the people believe we need to reform bankruptcy law. This isn't a special interest piece of legislation. But I will say this: There is no doubt that banks and others who regularly go to bankruptcy court see what is going on there on a daily basis. They have every right to call to our attention what they see are problems and injustices. We have a responsibility, if that is so, to fix it. That is fundamental. That is what American law is all about. What we are doing with the bankruptcy bill is trying to reform and improve bankruptcy law, which has had no real analysis since 1978. We have had more than double the filings in bankruptcy since 1978. Indeed, we have had a virtual doubling of bankruptcy filings since 1990, during that period of time.

Larry Summers, the present Secretary of the Treasury, stated that bankruptcy does, in fact, increase interest rates. Businesses have to charge more when more people are bankrupting and not paying back their debts. It raises the interest rates. The present Secretary of the Treasury understands that, and any economist would.

Senator HATCH, chairman of our Judiciary Committee, has pointed out the average cost per family of the debts wiped out in bankruptcy per year is $400. What that means is that somebody is not paying their debt and, in fact, is shifting the burden to other people to pay them for them. Sure, bankruptcy is a historic part of American law. It is something we never want to eliminate. We want to protect that right. It is mentioned in the Constitution but not provided for in detail. Our Founding Fathers recognized we ought to have a bankruptcy system. It has always been a part of the Federal court system, and we, as the Congress, have the responsibility to analyze it periodically to see what abuses and problems are occurring and, where there are problems, to fix them and see if we can't make the system work better.

Now they say we want to talk about credit cards. That is an issue we may want to talk about.

But this piece of legislation was designed to deal with the bankruptcy court system. We have banking committees and others that are dealing with these credit disclosure acts and the kind of bank loans and interest rates credit cards ought to utilize.

In fact, the chairman of the Banking Committee is not happy we are down here amending banking law on a bankruptcy bill that has nothing to do with banking law. Rightly, he should be. I don't think we need to distract ourselves on that. Frankly, I think we ought to just confront this issue that is being raised.

Bankruptcy is the fault of all of the credit card companies, and they are giving too much money to people who are marginal credit risks. They are allowing them to have credit cards—horrible things they are doing, allowing a poor person to have a credit card. That is bad.

We just had a banking bill that almost went down over a debate among those liberals in this body who wanted to ensure that the banks lend more money to at-risk, high-risk borrowers. That is a good thing, not a bad thing. If they weren't lending money to poorer people, weren't allowing them to have credit cards, then they would be much condemned for it, and rightly so. Ninety-nine percent of people who have credit cards pay their debt—99 percent. The banks are not lending substantial sums of money to people who can't pay their debt.

But I will tell you this. If you are living on a fixed income, you have a $25,000-a-year income, you have a family, you are trying to do things, and the tire blows out on your car, you are glad you have a credit card so you can pay for it to be fixed, so you don't have to sit it on the blocks, or you can get your momma, or somebody, to lend you the money to fix the tire. And it allows you to pay it back over a period of time.

It is an odd thing to me that people who think and claim they care about the poor are going to be complaining because credit card companies allow them to have credit cards so they can borrow money when they need to. It becomes a critical thing for them.

Then there is a complaint that somehow this legislation is unfair to women and children. That is a stunning event. From day 1, Senator HATCH and Senator GRASSLEY made a commitment to make a historic change in the way bankruptcy treats child support and alimony. There is a list of things that have to be paid first when you pay off your debts in bankruptcy. They call them priorities. Child support and alimony used to be seventh on that list. From day 1—this bankruptcy bill has proceeded for over 2 years now—we have raised child support and alimony to No. 1, ahead of lawyer fees. That is historic. They are complaining, too. But we made a commitment that nothing would take priority in bankruptcy court over child support and alimony.

It amazes me. I am astounded that those who want to kill this legislation, for reasons I cannot fathom, come down here and complain that the reason they are against it is that it hurts children. This is a historic move to provide unprecedented protections and priorities for children.

I find that a stunning argument to make.

They argue that this is going to penalize a single woman with a child who has financial troubles and needs to go into bankruptcy, and that somehow that woman with that child would be required to pay back some of their debt when they wouldn't have been required to pay some of their debt under the old law, because fundamentally what this bill says is, if you can pay back some of your debts, you ought to. What is wrong with that? If you can pay back some of your debts, you ought to pay some of them back. That is fairness. That is one of the biggest abuses we have. We have young yuppies making $100,000 a year in income, running up a bunch of debts, and then they just wipe them out and start all over again. That is not right. If they can pay back some of those debts, they ought to pay them.

The question is, Won't this abuse women with children at home who have financial difficulties? Let me explain this simply. If there is a mother and a child, a family of two, the median income in America is $40,000. If they make less than $40,000, they will be able to file bankruptcy just as they always have. If two of them are making $40,000 a year—which is a pretty solid income—or below, they will not be subject to these rules that require those who can pay to pay. If they make over $40,000, the judge will have the responsibility to evaluate their debt, evaluate their expenses, and see if they can pay back some. If they can pay back 25 percent, or 30 percent, or 50 percent, or maybe 100 percent, if their income is $100,000 a year, what is wrong with that?

Should a single woman be given preference over a single man with a child?

We have to have simple rules that are fair and objective. All I am saying is, it would take a family with a substantial income before the principles of law would apply that they would have to pay back any money.

There is a suggestion that somehow because a father is paying alimony and he might pay back some of his debt, he will not be able to pay his child support. But as we know, he is required to pay his child support first. And no plan in bankruptcy can be approved by a bankruptcy judge unless this gives priority to repayment of past due child

support and paying current child support. That is a bogus argument.

This bill requires the judge, before he approves a bankruptcy payback plan, to give priority to the payback of child support and alimony. In fact, it will strengthen the ability of children to receive the alimony payment because instead of walking in and filing bankruptcy under chapter 7 and just wiping out all of his debt and starting fresh, the deadbeat dad will be under the control of the bankruptcy court, under chapter 13, and will have to report his income on a regular basis. If he is not paying that, he can be disciplined through the bankruptcy court.

That is not a good argument, I would suggest.

There is a study by a group of professors who said only 4 percent of the people filing bankruptcy could pay even 25 percent of their debt. In that instance, if that is true—and I doubt that; I think the figure is a good bit higher than that but not a lot higher. I am not saying it is a huge number. Maybe it is 15, 20, or 10 percent. But those 10 percent who can pay it, those 4 percent who can pay their debts, why shouldn't they pay them? That is what we are saying. The law will not make them pay if they can't pay. If their income is below the median income, they won't have to pay back the debts at all.

I think that is not an argument that is important to us today.

There is another complaint about mailing credit cards. I heard a lot of people say, I get credit cards in the mail. They are not getting credit cards in the mail. If they are, they ought to call the Federal State law enforcement because it is illegal to send somebody a credit card they haven't asked for. What they are receiving in the mail from credit card companies are solicitations or offerings for credit cards.

I think that is probably good because I don't like those high interest rates on credit cards. I shop around. I don't like paying 18 percent interest. I hope most people can avoid running up any significant debt because that is a high interest rate. But one of the good things that has happened of late is, credit cards are getting competitive. They are offering us to join up: Convert to our credit card, have no interest for so many months, and you are going to have a lower interest rate than you had before. They are getting some competition in the credit card industry.

We are going to come around now and pass a law in this Congress that says a credit card company can't write you a letter and offer you 15-percent interest instead of your current 17-percent interest? What kind of idea is that? We have some poor economic thinking in this Congress.

By the way, as the Secretary of the Treasury under President Clinton has indicated, defaults on payments in bankruptcy drive up interest rates for everyone. It was suggested we have to make these reforms in amendments because old people are not able to pay their debts. Old people are not the ones filing bankruptcy. The figures cited were older people over 55. Filers over 55 have gone up almost 120 percent since 1990, but during that time all filings have gone up 100 percent. Always the older citizens of the country are the least likely to file bankruptcy. They are the most responsible and keep up with their books and manage their debts well. That is not the biggest problem in bankruptcy. Check the ages and it won't be the people 65 years old and up filing bankruptcy in America today. They are responsible. They have learned how to manage their money.

One amendment is to crack down on subprime lenders, banks that loan to poor people. We have legislation attacking banks for redlining areas and not loaning to poor people. We had a big fight over it on the banking bill. The people receiving these loans were viewed as vulnerable and preyed upon. Sometimes they can be vulnerable and sometimes I guess they can be preyed upon. However, one doesn't have to take a loan if they don't think it is better. If a person has $10,000 credit card debt at 18-percent interest and they can get a loan at a bank at 12.5 percent to pay it off and they don't have a good credit rating, but 12.5 percent is better than 18 percent. People make those choices daily. I don't know as part of bankruptcy court reform that we ought to try to reform banking law. That ought to be thought through more carefully.

This bill is essentially the bill that passed 97–1 in this body. It is essentially the bill that passed the House last year by a veto-proof majority. It has already passed the House again this year by a veto-proof majority. There is bipartisan support for it. It is beyond me why we can't have a final vote and get it passed. I have only been in this body a little over 2½ years, and I don't see how we have a bill with this kind of support. It is frustrating trying to get a final vote and do what the people of this country want done. We debated it. They said we have not had hearings. We had hearings for years on it. Everybody knows the issues. We have had staff meetings in excruciating detail.

Senator GRASSLEY has been more than generous in working with those who have concerns about the bill. He has met with the staff, met with the White House. My staff is meeting with a representative from the White House today trying to work out the language on one or two issues that we think we can reach an agreement on. There have been great efforts to make some changes. Why some want to spin this as a bill that is unfair is beyond my comprehension. We had this year a joint House-Senate Committee on bankruptcy—the first time in history—to consider those issues.

My vote is not for sale. I am not going to support a bankruptcy bill or any other bill because of any political contribution. I am offended by those who come on the floor and suggest that is what we are doing. I am prepared to debate any issue on this bill on the merits of what is good for public policy in this country. I am getting sick and tired of sanctimonious Senators suggesting they are above all the rest of us and everybody is corrupt—because industry gives political contributions to both parties. That is not right.

Let's talk about what is wrong with this bill. Let's talk about why something in here is unfair, if it is. If it is unfair, we will fix it. I am not happy with that. I think we need to do better.

Mr. President, 70 percent of the people are in favor of this legislative reform. There is overwhelming popular support for a system the reform of which is long overdue. We can do it. I don't blame the people who are in the process of dealing with it every year for being angry. They have a right to be. There are multiple loopholes in this bankruptcy system that we have seen. We have seen how they work and we can fix them.

One of the driving factors behind increased filings of bankruptcy is advertising by attorneys. Watch their ads. They don't say: Come on down and we will file bankruptcy. It says: Got problems with your debts? Come talk to me.

You talk to them and the next thing you know a person who has never been given an opportunity for a different opinion has suggested they can pay a certain fee and file bankruptcy and they will take care of him; all their debts will be wiped out. And the debtor says: You mean that, really? And the lawyer says: Absolutely; that is the law.

We passed that law. We talk about needs-based reform. What we are saying is, if you can't pay your debts, you have an income below the median income in America, $50,000 for a family of four—that is what the median income is—if you can't pay, you can have traditional benefits of chapter 7 and wipe out your debts, if that is what you choose. However, if you make above that, the judge can order you to pay some of the money back. I think that is only fair. I believe that will eliminate some of the abuses in the bankruptcy system.

Another amendment Senator KOHL and I have offered deals with what I consider another abuse in bankruptcy. I have an example from the New York Times article of last year about some people who used and abused the bankruptcy system.

The First American Bank and Trust Company in Lake Worth, Fla., closed in 1989, and its chief executive, Roy Talmo, filed for personal bankruptcy in 1993. Despite owing $6.8 million, Mr. Talmo was able to exempt a bounty of assets.

During much of the bankruptcy proceedings, Mr. Talmo drove around Miami in a 1960 Rolls-Royce and tended the grounds of his $800,000 tree farm in Boynton Beach. Never one to slum it, Mr. Talmo had a 7,000-square-foot mansion with five fireplaces, 16th-century European doors and a Spanish-

style courtyard all on a 30-acre lot. Yet in Mr. Talmo's estimation, this was chintzy. He also owned an adjacent 112 acres, and he tried to add those acres to his homestead. The court refused.

Mr. Talmo, though, now looks back as a more humbled man, ''Bankruptcy is something I don't want to do again,'' Mr. Talmo said. ''Mine is a sad story. I have my home, but otherwise I was wiped out.''

This is the way it works: The former commissioner of baseball—lots of prominent people do this—runs up a big bunch of bills; the business fails; he owes a lot of people money. So you say: What can I do? I can move to Florida; I can move to Texas; I can buy a big mansion, put all my money there on the Atlantic coast or the gulf coast or the Texas coast or wherever, and I will just put everything I have liquid right now in that house. I will claim it as my homestead and they cannot take it.

Then, after I have wiped out all these people I legitimately and lawfully owe, I can sell my multimillion-dollar mansion and live high the rest of my life. That is what this law allows. It is proper and legal in the American bankruptcy system today, and we ought to put a stop to it.

People say it is States rights. Not so. Bankruptcy is totally a Federal court proceeding. It is referred to in the U.S. Constitution. It is totally a Federal court proceeding and we have, as a Federal Congress, the right to set the standards as we choose them for a homestead exemption. In my view, this is an abuse. It allows people to move in interstate commerce and to defeat totally legitimate creditors and live like kings and not pay back people they owe.

I am going to mention one other example in the New York Times article:

Even when residents of Texas and Florida sell their homes and pay off their mortgages during bankruptcy, they can still walk away rich.

Talmadge Wayne Tinsley, a Dallas developer, filed for Chapter 7 bankruptcy in 1996 after he incurred $60 million in debt, largely bank loans. Under Texas law, Mr. Tinsley could keep only one acre of his 3.1-acre estate, a rule that did not sit well with him. His $3.5 million, magnolia-lined estate included a five-bedroom, six-and-a-half-bath mansion with two studies, a pool and a guest house. All that fit snugly onto one acre.

Yet when the court asked Mr. Tinsley to mark of two acres to be sold to pay off his debts, his facetious offer was for the trustee to come by and peel off two feet around his entire property. The court refused, forcing a sale, but by Mr. Tinsley still did rather well for himself.

He sold his house in October for $3.5 million using the proceeds to write a $659,000 check to the Internal Revenue Service and another for $1.8 million to pay off the mortgage. That left $700,000 for Mr. Tinsley after closing costs and other expenses were deducted from the proceeds, according to court officials. About $58 million of his debts were left unpaid.

I believe there are abuses there. I believe the Kohl-Sessions amendment will deal with it. It is not a question of States rights. The Federal bankruptcy courts have allowed States to set the standard, but it has never been a problem, that the Federal court could set a national standard if they chose.

We, by this amendment, say you could only have $100,000 in equity in your home—not the value but in the equity of your home—and be able to keep it; whereas, over two-thirds of the States limit it to $40,000. So we are just moving down some of those States with extreme laws to a reasonable level. I believe that will eliminate one of the most glaring abuses in the bankruptcy system.

I am pleased to be joined now by the distinguished chairman of the Judiciary Committee, Senator HATCH, who has worked hard to bring this legislation to fruition. I am proud to serve on his committee. I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague for his excellent presentation and the work he has done on the Judiciary Committee on this very important bill. It is a very important bill.

AMENDMENT NO. 1729

(Purpose: To provide for domestic support obligations, and for other purposes)

Mr. HATCH. I intend to make it even more important by calling up amendment No. 1729 and asking for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Utah [Mr. HATCH], for himself and Mr. TORRICELLI, proposes an amendment numbered 1729.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. HATCH. Mr. President, I am pleased to express my commitment again this year to reforming the bankruptcy laws in order to adequately protect children and ex-spouses that are owed domestic support. I am grateful that S. 625 includes the language I offered last year along with Senators GRASSLEY and KYL, providing extensive reforms to the bankruptcy laws in the area of child support. Also, I introduced additional enhancements to the bill's protection of domestic support obligations at the Judiciary Committee markup, and I accepted further changes by Senator TORRICELLI, with the agreement that we would continue working on the development of even further enhancements to the bill in this important area. I would like to express my gratitude to Senator TORRICELLI for working with me on these important provisions.

I have continued to work with domestic support enforcement groups and Senator TORRICELLI to improve the bankruptcy laws, and I offer this amendment, along with Senator TORRICELLI, to make a series of additional enhancements to the bill so that we can be certain that this important legislation enables women and children to collect the support and alimony payments they are owed.

Current bankruptcy law simply is not adequate to protect women and children. I have been outraged to learn of the many ways deadbeat parents are manipulating and abusing the current bankruptcy system in order to get out of paying their domestic support obligations. I have in front of me a how-to book called ''Discharging Marital Obligations In Bankruptcy.'' This is why we need to reform our bankruptcy laws.

I am proud of the improvements we are making over current law in terms of ensuring that parents meet their child support and other domestic support obligations in bankruptcy.

This chart indicates:

The Support Provisions Of This Bill Certainly Justify The Praise Given Them By The Most Significant National Public Support Collection Organizations In This Country.

That is a statement made by Phillip Strauss, Legal Division of the Family Support Bureau, the Office of the District Attorney of San Francisco on March 18, 1999, in testimony before the House of Representatives.

The bill's improvements over current law have the support of the country's premiere child support collection organizations. As you can see, the bill's child support provisions are endorsed by the National Association of Attorneys General, the National Child Support Enforcement Association, and all of them, and many others, support what we are trying to do today. I would also like to point out that literally dozens of ex-spouses who are owed domestic support obligations have expressed to me their support for these improvements to bankruptcy law.

We have all heard complaints by those who would attempt to politicize this issue that the bankruptcy bill is somehow harmful to families. I have worked tirelessly, provision by provision, both last year and this year to make this a bill that dramatically improves the position of children and ex-spouses who are entitled to domestic support. No one who actually looks at what the bill says can, in good conscience, say that this bill is not a tremendous improvement for families over current law. There may be those who do not want to see bankruptcy reform, but they cannot, with a straight face, argue that this bill is anything other than a huge positive step for our children. I believe that criticizing this bill without regard for what is in it, and using our children as pawns in the process, is shameful.

I challenge critics of the bill to stop with the vague allegations and take a look at what the bill itself actually does.

First, here is what S. 625 does apart from the additional improvements I have offered in the manager's amendment:

The bill prevents the use of the automatic stay from being used to avoid family support obligations: S. 625 stops deadbeat parents from using bankruptcy to avoid family support obligations.

For example, the bill prevents the automatic stay from being used to put a hold on the interception of tax refunds to be used to pay a domestic support obligation.

The bill enables revocation of driver's licenses and other privileges from deadbeats: The bill prevents the automatic stay from being used to prevent the withholding of driver's licenses when debtors default on domestic support obligations. This is a particularly important provision, given recent news reports about the effectiveness of suspending driver's licenses of people who aren't paying their child support. A Maryland initiative has resulted in $103 million in child support collections just since 1996. We do not want our bankruptcy laws to work as an impediment to effective programs like the one in Maryland.

Without these changes, a person could use current bankruptcy law to stave off a driver's license suspension by using the automatic stay, and undermine the effectiveness of these programs at getting child support to the kids who need it.

The bill gives child support first priority status: Domestic support obligations are moved from seventh in line to first priority status in bankruptcy, meaning they will be paid ahead of lawyers and other special interests.

The bill makes debt discharge in bankruptcy conditional upon full payment of past due child support and alimony.

It requires payment of domestic support obligations for plan confirmation:

And, S. 625 makes domestic support obligations automatically non-dischargeable. This lets ex-spouses seeking to enforce domestic support obligations avoid the legal expenses of litigation that they incur under present law.

The bill provides single parents with new tools to help them collect from an ex-partner in the bankruptcy system.

The bill provides better notice and more information for easier child support collection.

The bill provides help in tracking deadbeats. For example, If there is nonpayment of child support in a post-discharge situation, other creditors with non-dischargeable debt are required to provide the last known address of the debtor on request, a significant help in locating people who have skipped out on their child support obligations.

And, the bill allows for claims against a deadbeat parent's property.

In addition to these improvements over current law that have been part of the bankruptcy reform bill for months, I have worked with Senator TORRICELLI, the National Women's Law Center, and the National Association of Attorneys General to further enhance the domestic support provisions of the bill. I thank each of them for their commitment to further improving the bill, and I am proud of what we have accomplished.

Our amendment has many enhancements over current law.

For example, the amendment allows for the payment of child support with interest by those with means. The debtor can pay interest under the plan if he has sufficient income after paying all other allowed claims.

The amendment prevents bankruptcy from holding up child custody, visitation, and domestic violence cases. Essentially, the amendment exempts proceedings not involving money from being subject to bankruptcy's automatic stay provisions. These include civil cases regarding child custody or visitation, divorce—unless it involves a division of property—and domestic violence.

The amendment facilitates wage withholding to collect child support from deadbeat parents. It accomplishes this by adding a requirement that the trustee provide to the person owed support and the State child support collection agency the debtor's employer's last known name and address. Also, the amendment simplifies the ability of the person owed support to get information on the debtor's whereabouts from other creditors. These measures will assist greatly in the imposition of wage withholding orders if they are not already in effect.

The amendment helps avoid administrative roadblocks to get kids the support they need. The amendment provides an expanded definition of ''domestic support obligation'' to cover those who have not been officially designated as a legal guardian, but who nonetheless are entitled to collect child support on a child's behalf.

Also, the amendment gives priority to parents over government. It divided the new ''first priority'' status into two sub-parts, giving parents who are not receiving benefits the top priority—whether or not the benefits have been formalistically ''assigned'' to the government for collection purposes—and giving next priority to obligations assigned to and owed directly to the government in exchange for the payment of benefits—such as where parents are liable for the costs of treating a child in a mental facility.

A key provision makes staying current on child support a condition of discharge. The amendment allows for conversion or dismissal of chapter 1, 12, and 13 cases where the debtor is not current on presently accruing domestic support obligations. Two checkpoints are imposed in the case at which the debtor must be current with payments: confirmation and prior to obtaining a discharge. This provides a new way of preventing debtors from not paying their domestic support obligations during the gap period between filing and confirmation.

Moreover, the amendment makes payment of child support arrears a condition of plan confirmation. It provides that the Chapter 13 plan must pay all 507(3) arrears claims (those owed to families not receiving benefits) in full, unless the creditor—that is, spouse or child—agrees otherwise.

The amendment puts responsible debtors over government. It permits the cram down of arrears claims over the objection of a 507(a)(4) government arrears claimant—that is, the government collecting in exchange for paying benefits, in Chapter 12 and 13 cases so long as the debtor agrees to commit all disposable income for a five-year period.

This level of detail would ordinarily not be necessary in discussing provisions in a bill on the Senate floor, but I have done so to put the issue to rest once and for all. Let me be clear: With my provisions in the bill, bankruptcy will no longer be used by deadbeat parents to avoid paying child support and alimony obligations.

If we take the time to look at the actual provisions in the bill, it is clear that the bankruptcy reform bill of 1999 provides enormous improvements over current law. I have had a long history of advocating for children and families in Congress, and I support a bill that moves the obligation to pay child support and alimony to a first priority status under S. 625, as opposed to its current place at seventh in line, behind bankruptcy lawyers and other special interests. I support a bill that requires debtors who owe child support to keep paying it when they file for bankruptcy. I support a bill that prevents debtors from obtaining a discharge from the court until they bring their child support and alimony obligations current. And, I support a bill that provides that if a debtor pays child support right before filing for bankruptcy, the child support payment can't be taken away from the kids. Let's take a stand for our nation's kids and pass the Bankruptcy Reform Act of 1999 out of the Senate.

Again I thank my colleagues for the work they have done, especially Senator TORRICELLI, who has done a remarkable job working with Senator GRASSLEY on this bill as a whole, but in particular working with me on this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I express my gratitude to Senator HATCH for the drafting of the Hatch-Torricelli amendment that is before the Senate. Senator HATCH has reinforced his reputation by a commitment to American families and American children that is almost without peer. This is an extremely important amendment, and it strengthens the provisions of the bankruptcy reform legislation as they deal with families.

In drafting bankruptcy reform, Senator GRASSLEY and I were aware that many people were concerned that changes in the bankruptcy laws would

have the unintended consequences of making spouses or children more vulnerable as people sought protection from their family obligations.

Any change in the bankruptcy code obviously and importantly raises questions about family protection because, indeed, one-third of bankruptcies involve spousal and child support orders. In half those cases, women are creditors trying to collect court-ordered support from their husbands. Therefore, the sensitivity that Senator GRASSLEY and I in the general legislation and Senator HATCH and I now offer in this amendment is extremely important for Members of the Senate to have confidence in this bankruptcy reform.

It should be remembered by the Senate that these support orders for support of children and spouses are lifelines for thousands of families struggling to maintain self-sufficiency and remain off public assistance.

Forty-four percent of single-parent families with children under the age of 18 have incomes below the poverty line. With child support amounting to an average of nearly $3,000 a year, it is too often the only thing keeping families out of poverty and desperation.

With these facts in mind, Senator GRASSLEY and I drafted legislation in the managers' amendment that has a very important provision insisting that child support be elevated to first, rather than seventh, in the list of debts to repay by a debtor in bankruptcy.

Addressing the Senate this morning, I wanted to bring attention to this provision more than any other. Under current law, a child or a spouse is seventh in the list of debts to be repaid. Under our legislation, it will now be first, where it belongs.

The amendment Senator HATCH and I are now offering goes even further. With the help of women's groups and Government enforcement agencies, we have now been able to make several important new additions to this legislation.

Hatch-Torricelli, first, prevents civil cases regarding child custody, visitation, and divorce from being held up by an automatic stay. The automatic stay is designed to protect the debtor from coercion by creditors, not to provide the debtor a tactic for delay in dealing with support issues regarding their own children.

Our amendment will ensure that child custody and visitation issues are not held hostage by the filing of a bankruptcy petition. Bankruptcy petitions are not designed to interfere with or delay child support or other related issues in family disputes regarding children and spouses. We will not permit that to happen. Hatch-Torricelli reinforces the strength of that provision.

Second, the Hatch-Torricelli amendment cracks down on those who seek to avoid payment of child support obligations by requiring the trustee to give the person to whom support is owed and State collection organizations information on the debtor's whereabouts. By this provision, not only are we ensuring that bankruptcy reform not interfere with child support, we are making bankruptcy reform a strengthening provision in finding the whereabouts of those who are seeking to avoid family and child support.

It is a reflection of the reality that many people avoid child support by changing jurisdictions, by hiding from law enforcement. We will use the information in bankruptcy to find those who are responsible in avoiding obligations to their children.

Third, the Hatch-Torricelli amendment requires the debtor to pay all child support arrears before the conclusion of a bankruptcy plan unless the spouse agrees otherwise. Not only will bankruptcy reform not be used to complicate child support, people will meet that support, they will deal with their arrears before their bankruptcy petition is acted upon and completed. This will ensure the child support is paid, and paid in full, before the debtor is released from the bankruptcy system.

Importantly, however, we do have a safety valve. If the offended spouse believes this is not in their interest, they can indeed waive this provision. For example, if more money may be available for payment of support obligations after confirmation of the bankruptcy plan because other debts are discharged, then there can be a waiver.

I believe, though we already have good legislation that Senator GRASSLEY and I have offered which would further protect children and spouses, it is now enhanced by the provisions offered by Senator HATCH. I am very proud to be his cosponsor on this important amendment. I believe we have a better bill because of it. I believe American children and families will be strengthened in the bankruptcy proceedings because of it. I am proud to offer it, Mr. President.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I wish to commend, as I did earlier, Senators GRASSLEY, TORRICELLI, KOHL, SESSIONS, DURBIN, FEINGOLD, and HATCH for coming forward very promptly to offer amendments to improve this bill.

In the 4 hours we have had today, I see six amendments have been called up. On first blush, I think I am probably going to be supportive of some of these amendments, if not all. I think if we can continue to improve the bill at this rate, we may well end up getting the same kind of a vote—the 97–1 vote—we had last year on this bill.

I would note one thing. I hope Senators will look at this: We have been told of all the money the bill is going to save families in America—$400 each—and that the credit card industry will save $5 or $10 billion by the reforms in this bill.

I have a simple question: If we are going to be giving the credit card companies this $5 or $10 billion in savings from this bill, I am just wondering if they are going to do anything to change some of the charges and interest rates they charge consumers—those in a different era we would consider usury, at best.

So my simple question is this: What language in the bill will guarantee that savings from the bill will be passed on to consumers? Is there anything that says the credit card fees or consumer credit interest rates will be reduced by the huge savings that some say will come from the enactment of this bill?

If the consumer credit industry is going to keep several billions of dollars in savings from enactment of the bill, are those savings going to go to credit card consumers? Even some of the savings? I think that is a fundamental question supporters of the bill should ask themselves as we go forward. We know that more and more, many bankruptcies come about following the enormous—enormous—fees and interest rates charged by credit card companies. They are going to get billions of dollars in savings here. Will they pass any of those on?

Mr. President, I understand we have to file amendments by 5 p.m. today. I send an amendment to the desk and ask that it be appropriately filed.

The PRESIDING OFFICER. It is duly noted. The amendment is submitted.

The Senator from Vermont.

Mr. LEAHY. I am going to make a unanimous consent request in a moment. I will wait until the distinguished chairman comes back on the floor to do it.

This amendment is offered to protect victims of domestic violence in bankruptcy proceedings.

I ask unanimous consent that Senators MURRAY and FEINSTEIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered. They will be added.

Mr. LEAHY. Mr. President, I offer this amendment to protect victims of domestic violence in a bankruptcy proceeding. I am pleased that Senators MURRAY and FEINSTEIN are joining me as cosponsors.

Unfortunately, domestic violence pervades all areas of our country. Last year, the Department of Justice reported more than 960,000 incidents of violence against a current or former spouse, boyfriend, or girlfriend occur each year, and about 85 percent of the victims are women.

As if those statistics were not disturbing enough, the report went on to say that only half of the incidents of intimate violence experienced by women are reported to the police. That leaves almost 1 million incidents that go unreported every year.

The pain and terror caused by these crimes of violence are all too often also shared by children, as the Justice Department found that more than half of female victims of intimate violence live in households with children under the age of 12.

As our government and community organizations grow more responsive to the needs of victims of intimate and domestic abuse, more victims are leaving their abusive homes seeking safety and assistance. There are a number of programs, including the Rural Domestic Violence and Child Victimization Enforcement Grants, which I authored in the 1994 crime law, that make victim services more accessible to women and children escaping domestic violence.

For some victims, however, escaping domestic violence means starting a whole new life away from danger. It sometimes means permanently leaving one's home to find safe housing. Safe housing could be across town or in another state—and it often means having to purchase or rent a new home.

Escape from domestic violence sometimes necessitates victims to leave their job, which could leave a woman and her children without an income. Recovery from domestic violence could—and often does—also involve long-term medical and counseling services. These are all necessary expenses which the victim must face.

The amendment that I am proposing today would ensure that victims are not penalized for such expenses in a bankruptcy proceeding.

My amendment would ensure that additional expenses and income adjustments associated with the protection of a victim and the victim's family from domestic violence are included in their monthly expenses under the bill's means test.

I believe that we must ensure that we protect the victims of domestic violence if they are forced to file for bankruptcy. I urge my colleagues to support our amendment.

AMENDMENT NO. 2528

(Purpose: To ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses)

Mr. LEAHY. Mr. President, I am advised by the staff of the distinguished chairman that he would have no objection. I now ask unanimous consent to set aside the pending amendment so I may offer the Leahy-Murray-Feinstein amendment on domestic violence and bankruptcy that I just described.

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

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mrs. MURRAY, and Mrs. FEINSTEIN, proposes an amendment numbered 2528.

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

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

The amendment is as follows:

On page 7, line 22, insert after the period the following:

''In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court.''

AMENDMENT NO. 2529

(Purpose: To save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns)

Mr. LEAHY. Mr. President, I ask unanimous consent to set aside my own amendment in order to offer another amendment.

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

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2529.

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

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

The amendment is as follows:

On page 115, line 23, strike all through page 117, line 20, and insert the following:

''(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

''(v) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

''(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing''; and

(2) by adding at the end the following:

''(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who request those documents.

''(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

''(B) The court shall make such plan available to the creditor who request such plan—

''(i) at a reasonable cost; and

''(ii) not later than 5 days after such request.

''(e) An individual debtor in a case under chapter 7 or 13 shall file with the court at the request of any party in interest—

''(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and''.

Mr. LEAHY. Mr. President, I am offering this amendment to make this bill more workable in the real world and to save the taxpayers of this country $24 million over the next five years.

This bankruptcy bill now requires filing of millions of copies of personal income tax returns. Section 315(b) of the bill requires debtors to file with the court copies of their tax returns for the three years preceding their bankruptcy filings as well as tax returns filed while the bankruptcy was pending.

If this requirement was in effect last year, the 1.4 million Americans who filed for bankruptcy would have produced at least 4.2 million copies of their tax returns. More than 4 million copies of tax returns would produce mountains of paperwork and clog the files of most, if not all, bankruptcy courts across the country.

Where are the bankruptcy courts going to put these millions of copies of tax returns? And why do the courts need to keep them? Good questions that the sponsors of this bill have not answered.

Most bankruptcy filers have no assets and little income so there is no reason to review their tax returns. These debtors have no ability to repay their debts and their creditors know it. This blanket requirement to file tax returns for the last three years for all debtors, regardless of the debtor's assets or income, fails to make any common sense. It is simply silly.

Moreover, this blanket requirement to file tax returns ignores the reality that many debtors, just like other citizens, may not have access to their tax returns for the past three years.

For example, a recently divorced mother of two children may not have copies of her past tax returns if the couple's tax returns are kept by her former husband. Or a debtor, just like other citizens, may not have copies of past records such as tax returns. In either case, the debtor would have to contact the Internal Revenue Service to request copies of past tax returns before being able to seek bankruptcy relief.

Depending on the quick service of the IRS is not reassuring to an honest debtor who may honestly need bankruptcy relief. This mandate to keep copies of tax returns for the past three years is unnecessary and unrealistic.

Indeed, this burdensome and unworkable mandate is opposed by the Consumer Bankruptcy Legislative Group, Department of Justice, Administrative Office of the U.S. Courts, Judicial Conference, and National Bankruptcy Conference. Bankruptcy judges, creditor and debtor attorneys and other practitioners know this mandate will not work in the real world.

The Leahy amendment strikes this section of S. 625 and replaces it with the option that any party in interest may request and get a copy of a debtor's tax return after the bankruptcy filing.

Under the Leahy amendment, a creditor, judge or trustee may force a debtor to file copies of tax returns if the facts of the case warrant it by simply asking for the returns. In most cases, a

party in interest will not want to review tax returns if a debtor has no assets or little income. But if a creditor, judge or trustee does want to copies of the tax returns then they simply request it under my amendment and the debtor must furnish past and current tax returns.

This is a common sense approach to verifying debtor income and assets when a creditor, judge or trustee wants verification. The current blanket requirement for all debtors to file copies of their tax returns for the past three years will waste millions of taxpayer dollars.

Indeed, the Congressional Budget Office estimates that it will cost $34 million over the next five years to store and provide access to more than 20 million tax returns. Some experts predict it will take up 20 miles of shelf space to store all these tax returns.

The Leahy amendment saves $24 million over the next five years by striking this mandatory tax return filing requirement, according to CBO.

There are better ways to verify debtor income and assets that are workable, efficient and save taxpayer dollars. Under current law, U.S. Trustees and private trustees may review a debtor's tax returns if the facts of the case warrant it.

In addition, the Leahy amendment permits any party in interest to request a debtor to file copies of his or her past and current tax returns. The party in interest does not have to a hearing or even give a reason for wanting the tax returns.

But in the real world, a creditor or trustee will only want to see the tax returns of a debtor in a few cases—cases where there are actual questions about the debtor's assets or income. This targeted approach will save millions of taxpayer dollars and save the courts from filing millions of pages of unnecessary paperwork.

I urge my colleagues to vote for the Leahy amendment to save U.S. taxpayers $24 million and make this bill far more workable in the real world.

Mr. President, I understand we now have eight amendments pending. I note the latest one is a Leahy amendment. I see my distinguished colleague from Alabama on the floor. If somebody else wants to bring up another amendment, I have no objection to mine being set aside so they could do it. I am just trying to get these on the calendar, as the Senator knows and as Senator TORRICELLI and Senator HATCH and others have earlier today.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SESSIONS. Mr. President, I thank the distinguished ranking member for his comments. I have enjoyed working with him on moving this bill.

I thought I would mention a couple of things that are particularly valuable in the bill that may not be that clearly understood by most people.

I had the privilege of offering a credit counseling amendment early on in this process a year and a half ago. I offered that after having spent almost an entire day at a nonprofit credit counseling agency in my hometown of Mobile, AL. I was extraordinarily impressed with what they do.

They have individuals who come to them in financial trouble. They have a rule: They bring in the entire family. They sit down in a nice conference room, and they go over all the debts that are owed and the income that is coming in. They sit down and see if they can't help that family work their way out of the debt in which they find themselves. They have established over the years respect with financial institutions, such as credit card companies and banks. Those institutions will frequently reduce the amount of money they demand that is owed. They will reduce the interest rate that may be paid, if this person will make a good-faith effort to reorganize their finances and pay what they can pay on the debt.

This is working all over America. In fact, there are credit counseling agencies in virtually every town and city in the Nation. They are serving a valuable purpose. They sit down with individuals and find out what is wrong with the family.

It may not be known to everyone, but it is well known in professional circles that financial disputes are probably the most common cause of divorce in America. We know many people are in financial trouble because of alcoholism. Many people are in financial trouble because of gambling. Gambling is driving an increase in bankruptcy in a number of areas in this country. Some people simply have an inability to discipline themselves. One member of the family feels as though the other one is getting an advantage on them in spending, so they spend more and vice versa. They go on a downward spiral of financial management. We have individuals who have mental health problems who are simply not able to be disciplined about their money.

Credit counseling is a tremendous thing. They care about the families with whom they are dealing. They help work with them to discover a way to work out their problems. It is a good thing.

What this bankruptcy bill requires is that someone, before they file bankruptcy, at least go and talk to a credit counseling agency, to meet with them and see if that agency may have the ability to solve their problem short of filing bankruptcy.

Most people do, in fact, want to pay their debts, and they work hard to try to pay their debts. If they are given this kind of option, where a company will reduce their interest or reduce their debt, they work out a payment plan. The family signs onto it, the mother and father, son and daughter. They can restore pride and confidence. They can learn something about how to manage money. They may well receive marital counseling, mental health treatment, Gamblers Anonymous references, or other help.

What happens in bankruptcy today is that somebody is sued for a debt they haven't paid. They don't know what to do. They have seen on the TV, or in the newspaper: Call this lawyer if you have debt problems. So they call the lawyer and he sits down and says: The thing for you to do is file bankruptcy. There will be a $1,000 fee, and you will wipe out all your debts. They will say something like: How am I going to pay you? I don't have $1,000. He will say something like: You won't have to pay any more payments on your credit card. In fact, go buy everything you can with your credit card because we are going to wipe out all those debts when we file, unless they are short-term debts concurrent with the bankruptcy filing. The lawyer will say: You do that and pay me, and we will wipe out everything. That is what you ought to do.

The lawyer has a financial incentive there. He spends no time with the family. Oftentimes, they tell me the paralegals and staff people fill out all the forms and the paperwork; the lawyer hardly even meets the client. He goes down in court and calls out their name and they come up to him, and he introduces them to the judge. They do the bankruptcy and they go home. And nothing has been done about the fundamental problem in that family, or the lack of discipline which is often the case that causes bankruptcy. Many bankruptcies—a substantial percentage—are due to very severe events. But a substantial portion are also caused by a gradual descent into debt, and a lack of discipline, or some sort of emotional or psychological problem.

I believe if we can give them the choice to go through credit counseling and work out ways to deal with their debts as a family, we will do something good for this country. How many would choose this? I don't know. But most people who have been sued or are getting credit calls over debts they owe from all kinds of debtors and creditors get nervous and don't know what to do. They are told file bankruptcy and that is what they do. They think they have no choice. I believe we can do better than that. This bill will lead us in that direction. I believe it will be a historic step for this system.

We also have people who are filing repeat bankruptcies, people who file bankruptcy again and again. This bill will attempt to reduce that. More than 10 percent of the people who file for bankruptcy have previously filed. In some Federal court districts in America, 40 percent of the consumer bankruptcies are repeat filers. They learned the first time it worked, so they do it

again. They haven't learned the discipline and effort that it takes to maintain an honest credit rating.

So one of the things this act requires is that before a person is discharged from bankruptcy, they will have to have some counseling on how to manage their debt, and perhaps they will not come back again. I think that would be a good thing.

We are concerned about fraud in bankruptcy. The forms are basically self-proving. They are accepted by the court. Whatever a person says their income is and their ability to repay is, it is basically accepted and rarely verified. We find that is a problem. So they will have to file documents with their bankruptcy file. It will include a Federal tax return, monthly income and expenses, their actual wage stubs, how much money they are actually making, so it will allow a judge to decide properly what the right procedure is under the circumstances. It allows that a person to whom a debt is owed gets notice—a small businessman, garage owner, furniture store, or a doctors office gets a note from the court that Billy Jones is filing for bankruptcy, and you are notified as a creditor. This says you don't have to have a lawyer, but you can, in fact, go on your own and defend your interests in the bankruptcy court. You may need a lawyer, in which case you can hire a lawyer. But it will clearly make it known that creditors who have clearly proven debt can go down to the bankruptcy court and establish that debt and defend their interest, without having to spend more money on an attorney than perhaps the debt is worth. I think that would be good.

We are dealing with a huge increase in personal bankruptcies—1.4 million, a 94-percent increase, since 1990. In many States in this country, in many Federal bankruptcy districts, many people are filing under chapter 13. When you file under chapter 13, what you do is you go to court and you say: I owe all this money, judge. I have this much income and I would like to work my way out of it. These people are suing me. I am getting phone calls at home. I want you to have a stay, to stop them all from suing me. Take my money and tell me who to pay and I will pay my money, every bit I can, to pay off these debts.

That is a preferable way, in my opinion, for a person to deal with financial difficulties, if they can't pay their bills. Some people are so far in debt that it will be hopeless; straight bankruptcy chapter 7 is for them.

Under the present state of the law, amazing though it might be, there is no standard on that. The debtor himself can choose whether to go into chapter 13 or chapter 7. He can choose whether or not to pay off his debts. In Alabama, I am proud to say, in the northern district of Alabama, over 60 percent of the individual filers choose to file chapter 13 and repay a large portion of their debt. That is something I think reflects well on the people of the northern district of Alabama. The numbers are high in the other districts in Alabama—over 50 percent, choose Chapter 13. But we know in certain other districts in this country, the number of people filing chapter 13 is under 10 percent. Many of these people have high incomes and could, in fact, easily pay off all or part of their debt.

So that is why we have said in this legislation that if your income is above the median income, which for a family of two is $40,000, and for a family of four, over $50,000—if you are making above the median income, then you ought to be considered by the judge for repayment of as much of your debt as you can under the chapter 13 bankruptcy. So for the first time we will have a realistic way for a judge to objectively analyze these debtors, to see if they can pay back some of their debts.

That is why Senator HATCH says the average bankruptcy costs the average family $400 per year. When people don't pay their debts, somebody else has to pay them. It drives up the cost of business, the interest rates at the bank, and it drives up the charges the furniture store is going to make, or that the doctor office has to charge, to come out ahead if people are not paying their debts. It is that simple.

Paying your debt is a big deal. If we ever get to the point in this country where people don't feel like they have to pay debts back and they can wipe them out whenever they want to, we will have endangered the economic strength and commercial vitality of our Nation. Make no mistake about it. Our legal system and our economic system is based on honesty and integrity and responsibility. People pay their taxes based on their own calculations. They add up the numbers and they write that check to the Federal Government. That is why taxes ought to be low because when we ask too much of people they start cheating; they feel justified in cheating. We have relatively low taxes compared to other nations, and we have the lowest amount of cheating in the world.

We are making some important progress with this legislation. It will help us economically because, as the Secretary of the Treasury, Mr. Summers, has said, bankruptcy costs do add to interest rates. Everybody will pay higher interest rates if the bankruptcy filings are up. If bankruptcies are down, interest rates can drop. It will be passed on to the consumer. It ultimately always is.

I wish to express my appreciation to Senator GRASSLEY, who has worked so hard on this legislation. He has listened to everybody concerned. He has spent an extraordinary number of hours with the members of the Democratic leadership and members of the committee on both sides of the aisle. He has worked with them to achieve a bill that is responsive to virtually every complaint that can be thought up.

Essentially this same bill passed this body 97 to 1 last year. It passed the House with over 300 votes. Why we couldn't get it finally passed last time is beyond my comprehension. It was nothing more than a bunch of obstructive tactics. I can't accept the complaint and refuse to accept the argument that women and children are somehow being abused under this act when every objective analysis would indicate that we are making a historic move toward providing the greater protection that has ever been provided to alimony and child support payments. That is absolutely false. Why people tend to want to attack this bill to delay its passage and frustrate us in this effort is beyond me.

I believe we are eliminating abuses in the system. For example, I point out a landlord who leases an apartment to a tenant; that tenant's lease is for 1 year, that year is up, and he owes the landlord money. The landlord seeks to move him out because he is going to rent the apartment to somebody else. That tenant can file for bankruptcy and stay, or stop, any lawsuits for eviction. Months can go by. And the landlord has to hire an attorney to go to bankruptcy court to try to get the ''stay'' lifted—that is what they call it—on filing the eviction notice so they can go forward with it. This bill would say if your lease is up, you can continue with your case. Eventually the landlord always wins, but often it takes months to get a final hearing, and it will cost him a good deal of money and attorney's fees.

There are many abuses such as this in the system. Those kinds of things ought to be eliminated.

We have had the experience of the existing system since 1978. We have not given it the kind of overhaul it needs. We have completed that now. I am proud of this legislation. I know that Senator HATCH, who chairs the Judiciary Committee and has worked extraordinarily hard on it, also shares that view.

I am also pleased to have the support and leadership of Senator TORRICELLI and the ranking member of the subcommittee. He has worked hard for this bill. He understands the economics behind it. He understands that this is going to help those who are in need and at the same time is not going to allow abuses to occur in the system.

We are at a good point. I think we are going to have a vote next week. I am confident that once again we will have an overwhelming vote for this legislation.

MORNING BUSINESS

Mr. SESSIONS. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

CONSULTATION ON NOMINATIONS

Mr. GRASSLEY. Mr. President, I have sent a letter to the majority leader requesting that I be consulted on certain nominations. I am asking to be consulted on the nominations of Anthony Harrington to be United States Ambassador to Brazil, Calendar No. 364, and for Charles Manatt to be United States Ambassador to the Dominican Republic, Calendar No. 361. Further, I ask to be consulted on all the promotion lists for career State Department foreign service officers.

I take this step reluctantly but believe it is necessary. The administration is required by law to submit to Congress on 1 November every year the so-called Majors' List, the list of major drug producing and trafficking countries that the President intends to certify on 1 March of the following year. The administration has never met this deadline, despite the fact that Congress extended it several years ago from 1 October to 1 November in order to give the administration more time in which to meet the requirement. Last year the list was over a month late. Despite repeated messages that this deliberate flouting of the law was not acceptable, the administration has again failed to submit the list or to offer any explanations. The list has yet to leave the State Department and must still wait for the laborious interagency review process. There is every likelihood that the list will be significantly late again this year.

With this as background, I have asked to be consulted on any unanimous-consent requests involving consideration of the nominations I have indicated until such time as the administration complies with the law. I will consider additional requests depending on the delay that is involved in the administration complying. I regret this course but I regret more the administration's failure to comply with the law.

TESTIMONY OF GENERAL KLAUS NAUMANN

Mr. LEVIN. Mr. President, yesterday the Armed Services Committee received testimony from recently-retired German General Klaus Naumann, the former Chairman of NATO's Military Committee. In that capacity, General Naumann was NATO's highest ranking military officer and headed the NATO organization which consists of the Chiefs of Defense, i.e. the Chairman of the Joint Chiefs of Staff General Hugh Shelton and his counterparts, of all 19 NATO countries and to which NATO's Supreme Allied Commander, Europe, General Wesley Clark, and Supreme Allied Commander, Atlantic, Admiral Harold Gehman, report.

The topic for the hearing was lessons learned from NATO's Operation Allied Force, the air campaign against the Federal Republic of Yugoslavia.

Mr. President, I ask unanimous consent that a copy of General Naumann's opening statement be printed in the RECORD immediately following my remarks.

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

(See Exhibit 1.)

Mr. LEVIN. I hope that my colleagues will read General Naumann's thoughtful, straight-forward, and insightful statement. But, I want to highlight a few of General Naumann's conclusions—conclusions with which I agree and whose implications I believe merit careful consideration by us all.

First and most importantly, General Naumann concluded that ''it was the cohesion of our 19 nations which brought about success.'' In the course of the hearing, he pointed out that this cohesion was maintained despite the fact that, for example, polls indicated that some 95 percent of Greek citizens opposed the operation.

General Naumann also concluded that ''it will be virtually impossible to use the devastating power of modern military forces in coalition operations to the fullest extent'' but that this disadvantage ''is partly compensated by the much stronger political impact a coalition operation has as compared to the operation of a single nation.'' In that regard, I asked General Naumann for his reaction to a lesson that, I believe, applies. The lesson is not that we ought to use less than decisive force but that if that is not an option, then the judgment that must be made is whether or not the risk in utilizing what I call ''maximum achievable force,'' i.e. the maximum force that is politically achievable and which is less than decisive force, whether the risk involved outweighs the value of proceeding. General Naumann, as General Clark did in a prior hearing, agreed that it was a lesson learned from NATO's air campaign and that the question or balancing test that I posed was the proper one.

General Naumann had a number of other lessons and sage advice for us, such as that the United States should fully support the European Security and Defense Identity (ESDI) within the Alliance and that ESDI can strengthen the transatlantic link. Once again, I strongly urge my colleagues to read General Naumann's statement.

EXHIBIT 1

STATEMENT OF GENERAL (RET) KLAUS NAUMANN, GERMAN ARMY, FORMER CHAIRMAN NATO, MC

(Senate Armed Services Committee Hearing on Kosovo After-Action Review, November 3, 1999)

Mr. Chairman, Senator Levin, Distinguished Senators, it is my honour and indeed a privilege to testify in the Senate Armed Forces Committee on the lessons learnt from Kosovo. I would like to congratulate you, Mr. Chairman, and your colleagues on your effort to review the operation. I feel this is wise and farsighted since the next crisis will come, for sure, although I am unable to predict when and where.

I will discuss first the lessons learnt during the crisis management phase, then the air campaign until the day on which I left NATO, i.e., May 6, 1999 and end with a few conclusions.

With your indulgence I would like to start with a brief remark on the Military Committee (MC) which seems to be a largely unknown animal in the United States of America.

The MC consists of the Chiefs of Defense (CHOD) of all NATO countries and an Icelandic Representative of equivalent rank. The Strategic Commanders (SC), i.e. SACEUR and SACLANT, participate in the MC meetings. The meetings are chaired by an elected chairman who has served as CHOD of a NATO country and who is NATO's highest ranking military officer.

The MC meets three times a year and in its permanent session in which the CHODs/Commanders are represented by a permanent representative of three or two star rank once a week as a minimum. SACEUR and SACLANT report to the MC and through it to the Secretary General and the North Atlantic Council (NAC).

The MC is the source of ultimate military advice for the NAC and it has to translate the Council's guidance into strategic directives for the two SCs.

The MC played a crucial role during the Kosovo Crisis in keeping the NATO nations together. It was in the MC where the OPLANs were discussed and finalized in such a way that a smooth passage in the NAC was guaranteed and during the war the MC acted as the filter which helped to stay clear of micromanagement of military operations. It is my firm belief that this helped to avoid potentially divisive debates and it allowed SACEUR to concentrate on his superbly executed task to conduct the operation.

The Kosovo War itself deserves careful analysis for a couple of reasons.

It was after all the first coalition war fought in Europe in the information age, fought and won by a coalition of 19 democratic nations who did neither have a clearly defined common interest in Kosovo nor did they perceive the events in Kosovo as a clear and present danger to anyone of them. They fought eventually for a principle that is dear to all of them, the principles that Human Rights ought to be respected. They thus demonstrated that this is more important for them than the principle of territorial integrity which has governed International Law since the Westphalian Peace of 1648. This coalition fought without a clear cut mandate by the UNSC in a situation which was not a case of self defense and it stayed together and on course throughout the 78 days of the air campaign. It was the first war ever which at the first glance was brought to an end by the use of airpower alone. But it would be premature and indeed wrong to conclude from that that future conflicts could be fought and won from the distance by the use of airpower. One could say that only if we had clear evidence that it were the results of the campaign which made Milosevic eventually blink. That, however cannot be said by anyone on our side.

In my view the war proved once again the seasoned experience that we military will do best if we plan and fight joint operations and that it would be a deadly illusion to believe that the Revolution in Military Affairs will allow us to fight a war without any casualties.

What lessons did we learn during the Crisis Management Phase of the conflict?

Allow me to start with the rather straightforward statement that we could have done better in crisis management since we simply did not achieve what has to remain the ultimate objective of crisis management, namely to avoid an armed conflict. I do not know whether we ever had a fair chance to achieve it since Milosevic wanted to solve the

Kosovo problem once and for all in spring 1999. He saw presumably no alternative but force and violence after the Kosovars took advantage of the Serb withdrawal which General Clark and I had negotiated on October 25, 1998. Nobody knows when he took his decision but I have reasons to believe that it was in November 1998 and it was most probably a decision to not only annihilate the KLA but also to expell the bulk of the Kosovars in order to restore an ethnic superiority of the Serbs. One point has to be made with utmost clarity in order to destroy one of the myths the Serbs are about to create: It was not NATO's air campaign which started the expulsion of the Kosovars. It began well before the first bomb was dropped and it might have been the result of a carefully premeditated plan.

NATO began to be seized with the situation in Kosovo in early 1998. Again the background of the fighting in Kosovo in spring 1998 NATO ministers expressed their concern at their meetings in Luxembourg and Brussels and began to threaten the use of force in an attempt to stop violence and to bring the two sides to the negotiation table. NATO Defense Ministers decided in June to underpin that threat by a demonstrative air exercise although the NATO military had advised ministers that NATO as such was not ready to act and that any use of military instruments made only sense if there were the preparedness to see it through and to escalate if necessary.

Milosevic who was never unaware of NATO deliberations rightly concluded that the NATO threat was a bluff at this time and finished his summer offensive which led to a clear defeat of the KLA. My first lesson learnt for future crisis management is therefore that one should not threaten the use of force if one is not ready to act the next day. To achieve this is difficult in a coalition in which the slowest ship determines the speed of the convoy.

The responsibility for crisis management did not rest with NATO throughout the crisis. NATO began but then the US took the lead and introduced Ambassador Holbrook to be followed by the OSCE and eventually the Contact Group. When the Contact Group, not surprisingly, failed at Rambouillet and Paris NATO was given back the baton but there was no peaceful solution left. My second lesson learnt is that one should never change horses midstream in crisis management. Whenever possible the responsibility should remain in one hand, preferably in the hands of those who have the means to act. As a minimum one has to make sure that those who have the lead in crisis management efforts of a coalition share the objectives the coalition is committed to.

Another time seasoned experience gained during our successful efforts to prevent a war during the days of the Cold War is that one of the keys to success is to preserve uncertainty in our opponent's mind on the consequences he might face in the case of his rejection of peaceful solutions. NATO nations did not pay heed to that experience during the Kosovo Crisis. It became most obvious when NATO began to prepare for military options but some NATO nations began to rule out simultaneously options such as the use of ground forces and did so, without any need, in public. This allowed Milosevic to calculate his risk and to speculate that there might be a chance for him to ride the threat out and to hope that NATO would either be unable to act at all or that the cohesion of the Alliance would melt away under the public impression of punishing airstrikes. My third lesson learnt is therefore that we need to preserve uncertainty as one of the most powerful instruments of crisis management which does not mean to agree to an escalation ladder without limits and without rigid political control but which means not to speak in public about these limits. To keep publicly all options under consideration and to allow the military to go ahead with planning for joint operations would allow for uncertainty without the hands of politicians being tied.

During the air campaign we had to learn some lessons as well.

First we learnt that even a tiny ambiguity in the formulation of political objectives could have adverse effects on military operations.

The OPLANs for Operation Allied Force had been developed in fall 1998. Both ingredients, the Limited Air Response and the Phased Air Operation had been designed to meet the objective to bring Milosevic back to the negotiation table. When we began the air strikes, however, we faced an opponent who had accepted war whereas the NATO nations had accepted an operation. Consequently it seems advisable to set a political objective such as ''To impose our will on the opponent and to force him to comply with our political demands''. This would allow, first, to use all the elements of power not just the military means to secure our objectives and, secondly, to move as rapidly as possible to the decisive use of force within the political constraints which drive a coalition war.

Translated into military operations this would not change phases 0 and 1 of Operation Allied Force but it would lead to a phase 2 which focuses more and earlier on those targets which hurt a ruler such as Milosevic and which constitute the pillars on which his power rests, namely the police, the state controlled media and those industries whose barons provide the money which allows Milosevic to stay in power.

Secondly, we had to learn how to conduct coalition operations which is of particular interest since most if not all of our future operations will most likely be coalition operations. Coalition operations mean to accept that the pace and the intensity of military operations will be determined by the lowest common denominator and that there will be restrictions due to differing national legislation which could affect air operations in particular. Consequently it will be virtually impossible to use the devastating power of modern military forces in coalition operations to the fullest extent. This is a lasting disadvantage which is on the other hand partly compensated by the much stronger political impact a coalition operation has as compared to the operation of an individual nation.

Looking at Operation Allied Force it is fair to say that the politicians of all NATO nations met most of our military demands and most of them did not embark on micromanagement of military operations. In this context I have to state that the NAC never imposed a limitation which ruled out to bomb any target in Montenegro. On the contrary, the NAC explicitly accepted that we could strike targets on Montenegrin soil if they posed a risk to our forces. I also have to say that the gradualism of the air campaign was much more caused by the political objective which soon saw revision against the background of the dynamically unfolding situation than it was influenced by politically motivated interference.

My lesson learnt from that is that coalition operations will by definition see some gradualism and possibly some delays in striking sensitive targets. The likelihood that this could happen will be the more restricted the clearer the political objectives will be formulated. Coalition operations do, however, not mean that nations can block or veto any operation which is conducted in execution of a NAC approved and authorized Oplan. The only option open to a nation in such a case is to instruct its national contingent not to participate in the respective activity unless the nation would wish to formally withdraw its agreement to the Oplan. It is also noteworthy to state in this context that there are no NATO procedures which could be called a red card rule.

Kosovo taught also and again that NATO's force structure is in contrast to NATO's Integrated Command Structure no longer flexible and responsive enough to react quickly and decisively to unforeseen events. That we saw when Milosevic accelerated his expulsion of the Kosovars in an obvious attempt to counter NATO in an assymetric response and to deprive NATO of its theoretical launching pad for ground forces operations through a destabilization of FYROM and Albania. Luckily we still had the Extraction Force in FYROM and were thus able to react immediately. Without it, it would have taken NATO weeks to deploy and assemble an appropriate force. The lesson learnt is that we have increasingly to be prepared for assymetric response, the more so the stronger and hence invincible NATO is. To cope with these threats will be necessary and hence it is critical for NATO's future successes to enhance mobility, flexibility and deployability of its forces which are inadequate at this time.

The NATO Summit drew the right conclusion and agreed the DCI and the European allies did the same when they decided in Cologne that the EU has to improve defense. My next lesson learnt is that there is a totally unacceptable imbalance of military capabilities between the US and its allies, notably the Europeans. With no corrective action taken as a matter of urgency there will be increasing difficulties to ensure interoperability of allied forces and operational security could be compromised. Moreover, it cannot be tolerated that one ally has to carry on an average some 70%, in some areas to 95% of the burden. This imbalance needs to be redressed and therefore ESDI which is after all an attempt to improve European efforts within NATO deserves the full support of the US and should be used to encourage those allies who are reluctant to implement to live up to their commitments.

What conclusions can be drawn? (1) The integrated Command Structure worked well. What needs to be improved are procedures to achieve unity of command to be exercised by NATO there where parallel existing national and NATO command arrangements are unavoidable. (2) There is a need to think through how crisis management can be improved. Simulation technics may be a helpful tool to be considered. (3) There is an urgent need to close the two gaps which exist today between the US and the European/Canadian allies. The technological gap in the field of C 41 and the capability gap caused by the lack of investment in modern equipment. The DCI is designed to provide some remedy. It should be speedily implemented and the European/Canadian allies should be strongly encouraged to take appropriate action. (4) There is a need to study how NATO can perform better in the field of Information Operations to include better information of the public both in NATO countries and in the adversary's country. (5) Most importantly, it can and it should be said that Operation Allied Force was a success since it contributed substantially to achieve the political aims set by the Washington Summit.

It would be desirable that NATO stated simultaneously that the Alliance will act again should the necessity arise. To do so could help to deter potential opponents and could possibly restrain the one or the other ruler in this world to seek protection against

intervention through increased efforts to acquire weapons of mass destruction.

I would be remiss did I not close by commending the commanders from SACEUR down the chain of command, our forces in the theatre and those back home who supported them so splendidly. They all performed extremely well and you have every reason to be proud of them and your great nation's contribution.

Allow me to close by saying that I was proud to serve this unique Alliance as the Chairman of the Military Committee in such a crucial time and I felt privileged to serve with a man whose superb contribution was crucial for our common success, Javier Solana. This brings me to my final point which we should never forget: It was the cohesion of our 19 nations which brought about success.

Thank you, Mr. Chairman.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

HONORING GOVERNMENT CONTRACTS

Mr. MURKOWSKI. Mr. President, I congratulate my colleague for his remarks on the bankruptcy bill.

I think one thing—while it is not necessarily appropriate to recognize on the bankruptcy bill—we should recognize is the inability of our Federal Government to honor the sanctity of contractual commitments. I can think offhand of the agreement that was made by the Federal Government some two decades ago to take the high-level nuclear waste by the year 1998. The ratepayers paid something in the area of $15 billion into that fund for the Federal Government to meet its contractual obligation. The pending lawsuits are somewhere between $40 billion and $80 billion. Obviously, the Federal Government doesn't set a very good example.

This is not necessarily apropos to bankruptcy, but it is apropos to the theory that we pay our bills, that we honor the sanctity of our contracts. The old saying is, ''Charity begins at home.'' The Government should set the example.

Mr. President, I ask unanimous consent to speak in morning business for approximately 30 minutes.

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

Mr. MURKOWSKI. I thank the Chair.

TRADE AND FOREIGN POLICY

Mr. MURKOWSKI. Mr. President, with the recent passage of a Senate Finance Committee trade package aimed at liberalizing trade with African and Caribbean countries, and providing Trade Adjustment Assistance for American workers who need help transitioning into different jobs, I thought it an appropriate time to come to the floor of the Senate to discuss the insidious propaganda campaign the Clinton Administration is orchestrating over the phoney charges of ''isolationism'' he has leveled at Congress.

In some ways, I am reluctant to get into this name-calling argument. As I told my six children as they faced the normal school yard taunts, you shouldn't dignify the name caller with a response. Something like the old adage, ''Sticks and stones will break my bones, but names will never hurt me.''

The difference between Washington and the school yard, however, is that it seems that if you repeat a lie long enough, and in enough places, the media will parrot it out to the country and around the world as if it were true. And that is very, very serious for two reasons.

First, it distorts the political process and deceives the American public. More importantly, it sends a false and dangerous signal to the enemies of America that their dream of disengaging America from world leadership may, in fact, be happening. Nothing could be further from the truth, but when the President of the United States, and his flunkies, says it, terrorists around the world applaud.

Certainly there are Republicans, Democrats, Reform Party members and independents who proudly wear the isolationist label, but to try and smear Congress with that label is reprehensible.

So I want to look at what actions the Clinton Administration calls isolationist, and to separate fact from fiction.

Two weeks ago, National Security Advisor Sandy Berger gave a speech to the Council on Foreign Relations decrying as ''isolationist'' and ''defeatist'' such actions as the Senate's refusal to ratify the Comprehensive Test Ban Treaty (''CTBT'') and, as Mr. Berger characterized it, a Congress ''reluctant to support the Climate Change Treaty.''

Mr. President, it should not even pass the straight face test to label Senators such as RICHARD LUGAR and CHUCK HAGEL, among others, as isolationists just because we voted against a treaty that we did not think would preserve our national security in the years and decades ahead.

Would Sandy Berger have the audacity to call former Secretary of State and Nobel Peace Prize Winner Henry Kissinger an isolationist because he was ''not persuaded that the proposed treaty would inhibit nuclear proliferation'' and therefore recommended voting against the treaty?

Does Berger's isolationist tag also apply to six former Secretaries of Defense—James Schlesinger, Dick Cheney, Frank Carlucci, Caspar Weinberger, Donald Rumsfeld and Melvin Laird because they wrote the Senate leadership and stated:

> We believe . . . a permanent, zero-yield Comprehensive Test Ban Treaty incompatible with the Nation's international commitments and vital security interests and believe it does not deserve the Senate's advice and consent.

Mr. President, the Senate rejected a flawed treaty; the fault lies not with so-called isolationists in Congress, but with the appeasers and former ''nuclear freeze'' people who are now in the Clinton Administration and negotiated this treaty which was not in America's national security interest.

As to the Climate Change Treaty, Congress is not reluctant to consider the Treaty. In fact, we have been asking this President to send the Treaty up, but he refuses. And he refuses because 95 Senators expressed the strong sense of the Senate that the Kyoto protocol contain commitments from developing countries to limit or reduce greenhouse gas emissions. Of course, this has not happened. This is not an isolationist fear of technological change. This is a realistic assessment of how you accomplish your goals.

On Monday, USTR Barshefsky also took up the isolationism call. At a speech to the foreign press describing the U.S. agenda for the upcoming WTO ministerial meeting in Seattle, Ambassador Barshefsky said that isolationists ''at times believe that a growing economy and a clean environment cannot coexist.''

Mr. President, I hope the Ambassador does not mean to imply that simply because Congress has not signed off on loading up trade agreements with the baggage of the extreme environmentalist agenda that we are isolationists?

In fact, I wonder if this cry of isolationism is not simply to divert attention from the failures of this Administration to pursue trade opening measures in the face of domestic pressure from Unions?

If expanding trade is so important to the President, he could have welcomed the April 8 offer by the Chinese Premier to make extraordinary concessions to bring China into the World Trade Organization.

But he did not.

If expanding trade is so important to the President, he could have directed his Administration to work with the Finance Committee to craft a compromise on fast track trade negotiating authority that would address the legitimate concerns of those who do not want to see labor and environment slogans used as smoke screens for protectionist measures.

But he did not lift a finger to support fast track for fear of offending his protectionist political supporters in organized labor

So Mr. President, I don't think President Clinton should have sent his National Security Advisor or his USTR out to falsely label my party as the one turning its back on the world.

This is not to say that there are not some countries who should receive a cold shoulder rather than a warm embrace. I do not support aiding and comforting our enemies—like Iraq and North Korea. This is not about a choice between isolationism or engagement. This is about what form of engagement will bring the desired results.

It is in these areas where I think the Administration has a backwards policy—rather than rewarding good behavior, we are rewarding bad behavior.

Since 1994 when the U.S. adopted an ''Agreed Framework'' with North Korea, here are just some of the acts by North Korea:

Launched a three-stage missile last summer, and continues to work on and export missiles capable of hitting the United States;

Worked on vast underground construction complex—historically used by North Korea to cover work on military or nuclear installations;

Taken actions to hinder work of international inspectors sent to monitor North Korea's nuclear program;

Sent submarine filled with commandos to South Korea; and

Violated the military armistice agreement by firing on ROK soldiers.

Today, the North Korea Advisory Group in the House of Representatives released a report that found that ''the comprehensive threat posed by North Korea to our national security has increased since 1994.''

What has been the U.S. response?

DPRK is now the No. 1 recipient of U.S. assistance in East Asia: $645 million since 1995 includes providing at least 45% of fuel needs and over 80% of food aid; and sending 500,000 tons of oil a year, as well as trying to get other countries to come up with the funds for KEDO (Korean Peninsula Energy Development Organization) and for two light-water reactors.

I cannot say for certain that North Korea's government would have collapsed without our help. But I do not think that it will ever fall with two strong American legs holding it up.

And how about U.S. policy toward Iraq?

The U.S. spent $4.5 billion during the Desert Shield operation. From the end of the war until 1999, U.S. spent $6.9 billion on our ongoing operations—including the Desert Fox bombing, enforcing the no-fly zone, monitoring the seas, etc. It is estimated that we are spending $100 million a month currently to police the Northern and Southern no-fly zones. We have dropped over 1,000 bombs on Iraqi radar, air defense, and communications facilities. Occasionally, we've also hit an oil production facility.

But while we are spending all this money to ''keep Saddam in his box'', we are allowing him to rebuild the oil production that funds his war machine.

At the end of the war, a multilateral embargo was imposed on all Iraqi exports, including oil. This embargo was supposed to remain in place until Iraq discloses and destroys its weapons of mass destruction programs and undertakes unconditionally never to resume such activities. This has not happened.

But we allowed the UN Security Council to implement an ''Oil-for-Food'' program that lets Hussein sell $5.2 billion of oil every six months.

In the year preceding Operation Desert Storm, Iraq's export earnings totaled $10.4 billion, with 95% attributed to petroleum exports. Iraq's imports during that same year, 1990, totalled only $6.6 billion.

The U.N. has lifted the sanction on the only export that matters. Iraq's oil production now equals production prior to the war (over 2 million B/D). And now we're going to let Saddam sell even more oil. And we're buying his oil. The U.S. is importing 700,000 barrels a day of Iraqi crude—almost twice what we import from Kuwait.

United Nation's recently announced that Iraq could export $3.04 billion more in oil. This is in addition to the $5.26 billion already authorized for the six-month period.

Incredibly, this new resolution, UNSR 1266, was adopted on the same day that reports surfaced that nearly 10,000 tons of oil smuggled from Iraq was seized from five ships in the Persian Gulf in less than a three week period.

Again, although I cannot say for certain that some of Iraq's friends in the world would not find ways around a total embargo, I do know that without cutting off Saddam's oil lifeline we still face an emboldened dictator.

The Administration seeks to defend this oil-for-food program as a humanitarian gesture, but our own State Department pointed out in a recent study that Saddam Hussein is subverting the program to his own gain.

September 1999 Report by the Department of State finding that Saddam's regime was illegally diverting food and other products such as baby milk, baby powder, baby bottles and other nursing materials obtained under the oil-for-food program. In one example cited by the Department of State:

> Baby milk sold to Iraq through the oil-for-food program has been found in markets throughout the gulf, demonstrating that the Iraqi regime is depriving its people of much needed goods in order to make an illicit profit.

Moreover, the report found that ''the government of Iraq is mismanaging the oil-for-food program, either deliberately or through mismanagement.''

A few weeks ago, Kuwait seized three Iraqi cargo ships illegally exporting dates, lentils and jute seed and cloves used in animal feed.

But we continue to let money flow into this program. We've even allowed Baghdad to use about $900 million of oil revenue to rebuild its oil industry. Perhaps to make up for the fact that we occasionally bomb a facility that we know is used for smuggling gas oil?

The U.S. State Department Report concluded that:

> Saddam Hussein's regime remains a threat to its people and its neighbors, and has not met its obligations to the UN that would allow the UN to lift sanctions.

With this conclusion in black and white, why in the world did the U.S. vote to lift the ceiling on oil. Oil is Saddam's lifeline? It is the only sanction that matters.

Fueling and feeding the enemy is unacceptable to this Senator. Unfortunately, I don't have a vote at the UN and this President has continued to bypass Congress as it pursues appeasement of these two rogue regimes.

If these actions define this Administration's approach to engagement, then I don't want to get married.

Mr. President, I yield the floor.

Mr. President, I have another statement with which I would like to conclude. How much time is remaining?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. MURKOWSKI. I might need a couple of more minutes to finish. I ask unanimous consent I may extend my time to a full 15 minutes.

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

NUCLEAR WASTE POLICY

Mr. MURKOWSKI. Mr. President, I will be responding to some statements that were made during a debate that was held on this floor late last week concerning the Nuclear Waste Policy Amendments Act of 1999, which the leadership attempted to bring before this body. It was objected to by the other side.

I will take this opportunity to go back and forth between truth and fiction regarding this issue, because I think it is important we all have an opportunity to review the facts as opposed to the rhetoric that suggested that some things are risky when, in reality, we have addressed that risk through technology or other means. Last week, there was an allegation made that the radiation release standards for the permanent repository at Yucca Mountain contained in S. 1287 are inconsistent with the range of 2 to 20 millirem suggested by the National Academy of Sciences.

In the real world, somebody has to make these judgment calls regarding what level of radiation the public will recognize as being valid and protective of their interests. This level should be determined not by emotion but by sound science. The question is, Who has the sound science?

We believe the National Academy of Sciences certainly has that scientific expertise to make these judgments. As a consequence, we believe they should play a role in setting the radiation standard, as required by the Energy Policy Act of 1992.

What we are going to do here is respond to the myth by reminding my colleagues that the National Academy of Sciences, in fact, did not make a recommendation for a specific radiation standard nor a range of exposure levels. Going back to page 49 of the NAS report, it states:

> We do not directly recommend a level of acceptable risk.

In fact, the NAS said the appropriate risk level was a decision for policymakers. Congress is the ultimate decisionmaker on policy. S. 1287 establishes the basis for regulations that protect the public health and safety and the

environment from radiation releases at repositories.

My good friends and colleagues from Nevada will have you believe I have something against the people of Nevada. I do not have a constituency with regard to this issue because in Alaska we do not have an operating nuclear plant, therefore we do not have nuclear waste. However, as chairman of the Energy and Natural Resources Committee, I have an obligation and an oversight responsibility to address and resolve this issue.

The reality is, I am very sensitive to the feelings of the people in Nevada regarding the waste. But we have to store it somewhere. The logic has always been that the best place to store this waste is in an area where we have had 50 years of nuclear testing, out in the desert. That is what we have done in the study of the feasibility of placing a permanent repository at Yucca Mountain, where we have expended over $6 billion already.

S. 1287 is consistent with existing law, which required the National Academy of Sciences to recommend a standard that protects people in Nevada. This chart shows the annual radiation doses allowed by various regulations. I think it is important to recognize the standard in S. 1287 is more stringent than required by Nevada law. Nevada has an administrative code, section 459.35, which states that ''the total effective minimum dose to any member of the public from any licensed and registered operation does not exceed 100 millirems per year.'' S. 1287 would result in a standard that is only one-quarter of that set by Nevada itself.

To me, this is a responsible approach. I will repeat one more time: This bill will result in a standard that is one-quarter of the standard set by Nevada itself. We are certainly sensitive to the demands of Nevada that health and safety be protected. S. 1287 will ensure that releases of radioactivity from the repository will not result in an annual dose to an average member of the population in the vicinity of the site in excess of one-tenth the radioactivity received from natural background sources by the average U.S. resident.

This standard is lower than guidelines recommended by the preeminent international and national advisory organizations. These organizations include the International Commission on Radiological Protection and the congressionally chartered National Council of Radiation Protection and Measurement to provide guidance on radiation protection to countries worldwide.

I have another chart showing sources of radiation exposure. The term ''millirem'' may not mean much to most people, but let me put this in perspective.

The standard we have set in S. 1287 will limit a possible exposure of 25 to 30 millirems per year to the people who might receive the most exposure over the next 10,000 years.

As this chart shows, we all get 80 millirems a year of extra radiation working where? Right in this Capitol Building. Each one of us—all the pages, everybody—get 80 millirems a year of extra radiation, and it is from the stone in the Capitol which contains naturally reoccurring radiation. Maybe we ought to tear the Capitol down. That is one way to get rid of all extra radiation.

After all, we all get more than three times as much radiation above-background levels in a year as this bill, S. 1287, will allow the closest individual to Yucca Mountain, which is the proposed site of the permanent repository. The next chart shows the location of the permanent repository. This is the Nevada Test Site. This is the area we have used previously for more than 800 nuclear weapons tests. That is where we want to store our Nation's nuclear waste.

I have another chart that shows other examples, and this is in comparison to the EPA's draft rule which would limit Yucca Mountain to exposures, assuming that people in Nevada drink untreated ground water, to levels as low as one-tenth of a millirem.

This is in violation of existing law. One of my five principles reflected in this legislation is that Yucca Mountain rules for radiation should be set by the Nuclear Regulatory Commission, not by the Environmental Protection Agency.

Some have asked why. This is the reason why: The 1992 Energy Policy Act required the Environmental Protection Agency to issue regulations governing the maximum annual effective dose equivalent to individual members of the public consistent with the study of the National Academy of Sciences. Instead, what EPA did is issue draft regulations that are counter to the recommendations of the National Academy of Sciences.

One has to wonder why. Is it to kill this effort? Some within the Environmental Protection Agency would like to see the nuclear industry in this country go away, die, buried, gone forever. Regardless, we have an obligation to recognize that about 20 percent of our power is generated from nuclear power. We have created significant waste and have an obligation to address it.

S. 1287 is consistent with the NRC's proposed regulations for Yucca Mountain which are consistent with the National Academy of Sciences report. The Environmental Protection Agency continues to push for unrealistic, unnecessary, counterproductive standards that have nothing to do with protecting the health of Nevadans. Proof of that is they want these standards to equal drinking water standards, as low as one-tenth of a millirem for a separate ground water protection standard. The NRC measures radiation exposures to all individuals from all sources as required by law, including exposures from drinking water.

I question whether the Safe Drinking Water Act should be applied to ground water from this area where we have had 50 years of nuclear testing and over 800 tests. If the water becomes tap water, then perhaps the act should apply, but not while the water is still in the ground.

EPA wants to take extreme, strict standards that were designed to apply to drinking water out of a tap and apply it to water in the ground whether people drink it or not. What they are saying is you cannot achieve the process of getting this site licensed if you set a standard that is unattainable.

I am not hung up on standards and who dictates standards, but I am committed to getting this legislation through, protecting the public, and ensuring we have a standard that is achievable based on the best science available. I will not support a standard that the EPA dictates that will simply make the project unachievable at the expense of the taxpayers, who probably have over $15 million already in this process, let alone the expenditure of another $50 million to $80 million for not having taken the waste.

Let me clear up a very important point. The Nuclear Regulatory Commission standard fully protects the people in Nevada. Whether the drinking water standard is applied to ground water has nothing to do with how much additional exposure there is from this facility.

EPA applied similar regulations to the WIPP in Carlsbad, NM, to the transuranic nuclear waste disposal facility. This is Government waste from weapons production facilities. WIPP is a Government facility in the salt caverns of Carlsbad, NM.

The drinking water standard was not an issue when WIPP was licensed by EPA because WIPP is a salt mine and has no potable water around it. One wonders whether EPA thinks all nuclear waste should be disposed of in a salt cavern. I am not sure everyone in this body will agree.

The National Academy of Sciences did not recommend that the Safe Drinking Water Act be applied to ground water. Instead, it addressed requirements necessary to limit the overall risk to individuals as required by law.

Finally, the NAS concluded the decision regarding the acceptable levels of protection at Yucca Mountain is a policy decision. I believe it is appropriate that Congress make the decision regarding the level of protection and that the NRC set the standard. In short, the statement of the administration position bases its objections on a disregard of both existing law and the reality of the Federal Government's obligation to take nuclear waste beginning in 1998.

There is a question of whether the EPA standard will harm health and safety nationwide. Do not believe the draft EPA regulations are a victimless crime. By ignoring this requirement and insisting on a standard that no repository probably can meet, a standard

that provides no additional protection for health and safety to the people in Nevada, EPA and the opponents of Yucca Mountain will harm health and safety across the country. Why? Because the current storage was not designed for this hazardous waste. It was designed to be removed, because there was a commitment made by the Federal Government pursuant to a contract beginning in 1998.

The Federal Government has failed to perform under that contract. As a consequence, the waste stays where it is. Some of the Governors have said: Well, we are concerned about this waste staying in our State. And if indeed, as this legislation proposes, the Government takes title of the waste site, we are fearful it will stay in our State. I would say to our Governors: If this legislation does not pass, it is just where it is going to stay. It is going to stay in those States.

This chart shows where it is. It is in over 80 sites around the United States, all over the east coast. The chart shows in brown where our commercial reactors are. We have shut down reactors with spent fuel shown in the green. That isn't going to move until we get the repository for it. We have military reactors, Navy reactors, and we have the Department of Energy reactors and waste around the country.

My point is, this legislation is a mandate to address a problem. It might not be perfect, but if you have a better answer, come on aboard and let's try to address our responsibility.

In the remaining minutes, let me conclude by reminding you that the Department of Energy's draft environmental impact statement on Yucca Mountain concludes that the public would be at a far greater risk of latent cancer if high-level radioactive waste in used fuel were left at the 80 sites around the country.

If you are comparing apples to apples, the draft EIS assumes that in either case, people completely walk away from the repository and the on-site storage facilities after 100 years. This is the standard assumption of the EISs. For people living near the repository—with spent fuel shielded by natural and engineered barriers hundreds of feet below the ground and hundreds of feet above the water table—the long-term effects are very negligible.

The Department of Energy concludes that there would be virtually no latent cancer fatalities—much less than 1—over 10,000 years. On the other hand, the consequences of leaving the material at a score of sites around the Nation are certainly far greater. And that is where we are now.

In the absence of institutional controls, on-site storage would lead to ''about 3,300 latent cancer fatalities over 10,000 years as storage facilities across the United States degraded and radionuclides from spent fuel and high-level radioactive waste reached and contaminated the environment.''

The Department of Energy calls the outcome of this ''no action'' scenario a ''considerable human health risk.'' High-level nuclear waste is in the backyard of our constituents, young and old, across the land. In further presentations, we are going to spell out specifically where it is, the street it is on, across from the school, across from the church.

As DOE points out in the environmental impact statement, each year that goes by, our ability to continue storage of nuclear waste at each of these sites in a safe and responsible way diminishes. It is irresponsible to let this situation continue—literally, a crime against the future. We cannot let that happen.

A myth is: The release standards for the Waste Isolation Pilot Plant program were set at 3 millirems.

Reality: The 3-millirem standard did not apply at WIPP. This is the Safe Drinking Water Act level which EPA has chosen to apply to ground water. However, WIPP is in a salt dome and contains no potable ground water, so the drinking water standard did not apply.

Myth: If you do not pass this bill, the Yucca Mountain will open on schedule.

The reality is, the antinuclear activists and the Nevada delegation are doing everything they possibly can to stop Yucca Mountain from opening, including encouraging the EPA to issue a counterproductive and impossible-to-meet standard for radiation.

Further myth: Nuclear waste storage casks are safe for storage but not for transport. The reality of that is, properly licensed nuclear storage waste casks are safe for both storage and transport. We in the United States have transported over our highways 2,400 shipments of spent nuclear fuel by the nuclear energy industry and others, over the past 25 years. This chart shows the network of where it has traveled. It has moved all over the country, up and down the east coast, through the Rocky Mountains, through the Midwest, and up and down the east coast.

There have been 2,400 shipments of spent nuclear fuel by the nuclear energy industry and others over 25 years. No fatality, injury, or environmental damage has ever occurred because of a radioactive cargo. It isn't that we could not have an accident, but we take steps to ensure that the risk is at a minimum. I suggest we have had an occasion where we have had a truck break down but the casks have performed as designed; they have not broken up. The nuclear disasters the Nevada Senators have promised would happen simply have not happened. Technology is the answer. Technology is available for safe transportation, and it is already paid for.

We look at Europe. They are moving high-level radioactivity from their nuclear plants by ship, by railroad, as well as highways.

Senate bill 1287 provides the authorization to coordinate a systematic, safe transportation network to move spent fuel to a storage facility.

A further myth: Leaving the spent fuel where it is only costs $5 million per site.

Reality: At a hearing before the Energy and Natural Resources Committee, the NRC Chairman testified that the startup costs of building a dry cask storage facility at a reactor would be $6 million, plus $1.5 million per year for new casks and operation, plus $5 million per year for maintenance after the reactor is shut down.

But the real question is, What will it cost the taxpayer? The DOE has collected, as I have previously indicated, over $15 billion from the ratepayers, the people who pay their electric bills, under a binding contract to move the spent nuclear fuel. The Federal Government did not meet that binding contractual term to take it beginning in 1998. Damages, I have indicated, for nonperformance of that contract have been estimated between $40 and $80 billion. The Government is ignoring the sanctity of its contract. That amounts to $1,300 per American family.

Here is how the damages break down: The cost of storage of spent nuclear fuel, $19 billion; return of nuclear waste fees, $8.5 billion; interest on nuclear waste fees, $15 to $27 billion; consequential damages for shutdown of 25 percent of the nuclear plants due to insufficient storage—power replacement cost—$24 billion.

Well, this is billions upon billions.

If regulators prohibit additional on-site storage, utilities may be forced to close plants and buy replacement power at an average cost of $250,000 to $300,000 per day for a typical reactor.

Finally, let me conclude by exposing the ultimate myth. That myth is: 80 nuclear storage waste sites are safer than 1 centralized storage site at the Nevada Test Site, a site so remote that it has been used to explode nuclear devices for 50 years.

Let's put the picture of the Nevada Test Site up one more time. The reality of this is simple, really. Why should we leave spent nuclear fuel at nuclear powerplants in 34 States when there is a less costly storage method with an increased magnitude of safety?

The picture shows, the proposed site of where we will put it, the one site. The point is, let's put it in one site where we can monitor it. If we want, we can have an appropriate repository so that if at some time we want to have a retrievable capability, we can do so, as technology advances.

DOE's own environmental impact statement calls the outcome of the ''no action'' scenario a ''considerable human health risk.'' Transporting used nuclear fuel to a central storage facility in the Nevada desert is the only sensible approach.

I do not have to remind my colleagues that the Federal Government made a promise and signed contracts with utilities—including those in many of individual Members' States—that it would start disposing of spent nuclear fuel in 1998.

The evidence is squarely on the side of reaffirming this vital commitment. It makes good sense to consider the Nevada Test Site, an isolated, unpopulated, desert location where we used to test nuclear bombs. You have seen that on the picture behind me.

When you test a nuclear bomb, even underground, radioactivity can and does escape. It does get into the ground water and sometimes even the atmosphere. My colleagues from Nevada have supported continued bombing tests on the test site but don't support storage of spent nuclear fuel in an NRC-licensed and monitored facility. I just don't understand why. Why was the Nevada Test Site good enough to test leaky bombs but suddenly is not good enough for safe and secure spent fuel storage? I know there is a little politics in it. I understand politics. Leaving used nuclear fuel at a nuclear plant site defies common sense, makes a mockery of Government accountability, reneges on a promise made by the Government, and is extremely costly to the taxpayer.

Spent fuel pools at reactor sites were never intended to be used for long-term storage. As you remember, a few years ago, radioactive tritium gas leaked into Suffolk County, Long Island, ground water from the spent nuclear fuel storage at Brookhaven National Laboratory. In response, the Department of Energy removed the spent fuel and shipped it for storage to another DOE site. All we are asking is that DOE perform the same task which it is legally obligated to perform for civilian nuclear reactors.

Without a Federal spent fuel storage facility or an additional on-site temporary storage, which many opponents of this bill also actively oppose, some utilities will be forced to close plants down prematurely. In fact, 26 reactors will exhaust existing storage capacity in the next couple of years. To understand the calamity this would bring about, consider what would happen if you started chipping away at 20 percent of this Nation's electric supply or what the skies would look like if this base load capacity were replaced by fossil-fuel-burning plants of the older technology. As some of you are aware, the temporary shutdown of nuclear plants in the Northeast and Midwest had authorities planning for rolling blackouts during the hottest days this last summer.

The Senate must pass Senate bill 1287 and start developing the integrated spent fuel management programs that Congress has mandated and engineers and scientists have thoroughly designed safe technology for storage and for transportation of spent fuel, and for which electricity consumers in this country have paid. The Federal Government has promised it would dispose of this waste. It is now time for the Federal Government to stand up and be counted and do its job. S. 1287 is the solution.

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

Mr. MURKOWSKI. I am happy to yield.

Mr. SESSIONS. The distinguished Senator from Alaska indicated that we have already spent $6 billion on this facility in Yucca Mountain?

Mr. MURKOWSKI. The Senator is correct. We've actually spent a little bit more than that. We have the tunnel basically done. The facility is designed to be a permanent repository for this high-level waste.

Mr. SESSIONS. They are not just going to lay it out on the ground. There is a tunnel into the ground in the desert out there?

Mr. MURKOWSKI. That is correct. It is the intention to put the waste in casks, and the scientific community is going to have to certify that this waste will withstand whatever conditions that there might be for 10,000 years.

Mr. SESSIONS. It will be inside casks and then inside a concrete tunnel?

Mr. MURKOWSKI. The Senator is correct; concrete and rock.

Mr. SESSIONS. Do any people live right around there? Are people going to be living next to this facility?

Mr. MURKOWSKI. Well, there won't be anybody living next to the facility. Forty-some-odd miles away is the nearest living soul to that particular area. Las Vegas is, of course, over the mountains.

Mr. SESSIONS. Forty miles is a long way. I notice your chart showed that if you stood 6 feet from a trainload of this waste that was being sent out there, you would get about one-tenth as much exposure as we get here in the Senate?

Mr. MURKOWSKI. That appears to be the case, because of the stone with which the building was built.

Mr. SESSIONS. It strikes me, if you were 40 miles away, you wouldn't get the little 5-millirem exposure. It would be infinitesimal, what anybody in Nevada would be exposed to as a result of storing this waste in one facility.

Mr. MURKOWSKI. I appreciate you pointing that out again.

As you know from the chart, it does say 80 millirems is the exposure we get here in the Capitol. If you live in a brick house, you get 70 millirems. You get 53 millirems of additional exposure from cosmic radiation in Denver, as a result of the higher altitude. The average radiation from the ground is 26 millirems. An x ray is 20. A dental x ray is 14, and you have to write a check for it. A round-trip flight from New York to Los Angeles is 6. Exposure for a half hour from a transport container to a truck 6 feet away is 5 millirems.

It is important that we put these in perspective.

Mr. SESSIONS. I thank the distinguished Senator for his leadership on this issue.

Since I have been in the Senate, I don't think I have ever seen a public policy issue more bizarre than the inability of this Nation to remove nuclear waste from five sites in my home State of Alabama and all over the United States to one safe and secure location. Why that can't be accomplished and why those continue to frustrate our efforts to carry out the law is beyond me.

I know the Senator said $6 billion had been spent on fixing this site so far. I understand everybody who pays their electric bill pays a certain percentage of that bill for storing of nuclear waste. Does the Senator know how much has been paid in by the citizens of America to make this a safe site for this disposal?

Mr. MURKOWSKI. In responding to the Senator from Alabama, a little over $15 billion has been paid to the Federal Government. The Federal Government agreed to take the waste beginning in 1998. Clearly, that date has come and gone.

Mr. SESSIONS. I can see why the Senator began his remarks raising the concern that the Federal Government should honor its commitments.

Mr. MURKOWSKI. I might add also, there is a significant legal obligation for noncompliance with that contractual agreement, somewhere between $50 and $80 billion. I happen to be a banker and know something about money, but I am not as familiar as perhaps a lawyer would be with the significance of a settlement for damages, but it is going to cost the taxpayer a bundle.

Mr. SESSIONS. I think that is important. Money cost is important, $15 billion already spent.

For the Senator's edification and those in the body, in Alabama, outside of the education budget, the State general fund budget is less than $1 billion a year. This is 15 annual general fund budgets for the State of Alabama we have invested, and to date there has been no movement.

I thank the Senator for leading the effort on this. I believe his remarks are a comprehensive demolishment of any objection by a rational human being to carrying out the legislative mandate of this Congress. We need the President to be helping rather than frustrating. We need to pass this law. I was a Federal attorney for a long time. The Federal Government has the power and does, on a daily basis, condemn properties all over America for public use. This is 40 miles away from people. It is the appropriate location where we have done nuclear testing.

I stand in amazement that we are unable to bring it to a conclusion and thank the distinguished Senator.

Mr. MURKOWSKI. The only explanation I can give my friend from Alabama is, for reasons I can only assume are associated with the objections from antinuclear groups, this administration has simply chosen to ignore its obligation on the issue of nuclear waste. We have an industry that is strangling on its own waste. Our technology has created that waste. On the other hand, we are dependent for about 20 percent

of our power on nuclear power generation. Obviously, it has made a substantial contribution to the air quality because there are no air emissions from nuclear power. As we look at the French, they are almost 90-percent dependent on nuclear energy.

They have chosen not to be held hostage by the Mideast as they were in the 1973–74 timeframe. So they have developed almost entirely their power generation on a nuclear power generating industry and their sophistication of disposing of the waste is through technology. They take the waste and reprocess it, recover the plutonium, put it back in the reactors, and burn it, and hence reduce the proliferation. The residue is vitrified like a glass and that is buried, but it has a relatively short life.

So while we are committed to permanently disposing of our high-level waste at Yucca, there is another alternative that we have precluded ourselves from pursuing, which, in my opinion, is probably the right way to go, and it is the way the Japanese are going as well.

Mr. SESSIONS. Well, the Senator mentioned that 20 percent of our power is nuclear. I have had some occasion to study this issue. I served on the Clean Air Committee of the Environment and Public Works Committee. The President has committed us to his view of reducing emissions into the atmosphere by 7 percent, during a period of time when our demand for electricity is going to nearly double; but 20 percent of our electricity comes from nuclear power in the United States, is that right?

Mr. MURKOWSKI. That is right.

Mr. SESSIONS. We haven't had a new nuclear plant built in almost 20 years.

Mr. MURKOWSKI. That is correct.

Mr. SESSIONS. How are we going to increase production of power and at the same time shut down the nuclear energy that other nations are using regularly?

Mr. MURKOWSKI. That is a very interesting point the Senator has brought up, because if we look at the clean air proposal of this administration and the proposal that 7½ percent could come from renewables, we have to question whether we have that technology.

Somebody said if you took every square foot of New Mexico and Arizona and put solar panels across, you would only get half of 1 percent, because it gets dark once in a while and the wind doesn't blow all the time. So we have real problems with facing reality in the administration's proposal. There is no mention of the role of nuclear power in that proposal. Nor do they consider hydroelectric generation as a renewable, which is beyond me, because it rains, the lakes fill up, and the hydro works. But it is a mentality currently within this administration.

I appreciate the Senator bringing up these points, but in the clean air proposal by this administration, there is no role for nuclear. Clearly, there has to be.

Mr. SESSIONS. I had the privilege of representing this Congress, with a number of other Senators, at a European conference of the North Atlantic Assembly. The President's own appointee as Chairman of the International Atomic Energy Administration, or association, Mr. John Rich, made a marvelous talk. I can sum it up fairly by saying that he concluded there is no way this Nation, or the world, can ever meet our clean air global warming goals without the enhancement of nuclear power. He demolished the idea that renewables, or others, could come close to filling the gap. This is the President's own appointee.

I don't know. Maybe he ought to go sit down in the White House, or with the Vice President, and discuss these issues because we are facing a crisis. We need to maintain our atmospheric purity as much as we can. We certainly don't need to be increasing. I thank the Senator for his time.

Mr. MURKOWSKI. I thank my friend. I see my friend from New Mexico will be seeking recognition.

I yield the floor.

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

Mr. DOMENICI. Mr. President, first, I wish to say I wasn't present in the discussion about clean air and the ambient air standards, as they might pertain to nuclear power in America and what might happen to the nuclear power we have, the powerplants, and what might happen in the future. But I know, even without being here, that it was a very enlightened discussion about the fact that if you are looking for a cleaner world and for the ambient air of the world and in America in the future, to sustain economic growth, for it to be clean and livable, anybody who leaves nuclear power off the map and doesn't even talk about it is absolutely missing the greatest opportunity we have to accomplish what all of those who want clean air set out to do. In fact, I think the Senator shares this observation with me. The Kyoto agreement, with all of its preamble work—the whereases—was totally void of a reference to nuclear power.

Mr. MURKOWSKI. That is correct.

Mr. DOMENICI. I discussed that report with one of the most eminent physicists in the world. What he said to me was: I looked from cover to cover, and since I could not find one word on nuclear power, I put the report down and said it cannot be one that is really objective and realistic.

Now, that is better than I can say it. I think that is what the Senator has been saying and what my friend from Alabama, who has regularly talked with me about nuclear power and clean air, has said. It is amazing, if we can just come to the floor and talk about the other sources of energy and what they have done to human life in terms of deaths in mining, the deaths on the trains that have carried coal, and all of the other things related to producing energy that we use willfully and without great concern about the danger and the risks, and then put that up alongside nuclear power from its origin, it will look like a big giant heap of coal versus a little tiny package of salt over here that will represent the harm we have caused to people and the environment with nuclear power. They are not even in the same league in terms of damage to people, deaths to people, and the like. It has been a very safe industry, and in the United States, it has been truly miraculous that with this kind of engineering we have had two accidents and neither were fatal.

Mr. MURKOWSKI. No fatalities. I thank my friend from New Mexico.

BALANCED BUDGET ACT

Mr. DOMENICI. Mr. President, I came down to make a few remarks about a bill that is in conference, a subject matter we have been talking about for some time, and that is the Balanced Budget Act and what kind of impact it had on skilled nursing homes, on rural hospitals, and other parts of the entire health delivery network in the United States. While I won't take very long today, I do come because I think it is very urgent to the conferees on what we have been calling a ''Medicare replenishment'' bill—a bill that goes back and says let's make a few adjustments to the Balanced Budget Act as that Budget Act sought to restrain the cost of health care in three, four, or five areas.

Particularly, I want to talk about the House and Senate and the ultimate compromise on the legislation to increase payments for the nursing home patients and proprietors and owners of skilled nursing homes and that industry. In fact, the problems in the nursing home industry are as severe, if not more severe, than in any other part of the health care system in the United States. To talk about hospitals as if they are more important than skilled nursing homes, and that we should worry more about hospitals and less about skilled nursing homes, is not to address the issue properly, for there are literally hundreds of thousands of Americans, men and women, predominantly women, in the skilled nursing homes across this land. Some are Ma and Pa owners of one or two units; some are corporately owned, where hundreds of these particular skilled nursing home facilities are owned by a company.

A couple of weeks ago, a very large nursing home company with headquarters in my home State filed for chapter 11 bankruptcy protection. That was a second nursing home chain to file for bankruptcy protection in the last 2 months. These two nursing home chains own hundreds of facilities all over the country. So every Senator

should be concerned about what is happening to this industry and to these facilities and their ability to care for our senior citizens.

The Senate Finance Committee, which got input from many Senators and many parts of America's health delivery system, reported out a very good bill in the area of skilled nursing homes and, likewise, in the other delivery components of American health care. In it, there are two provisions which are particularly important. First, it provides, over the next 3 years, for $1.4 billion in higher payment rates for skilled nursing facilities. These increases are targeted at what everyone agrees is the problem—that current rates do not cover the high costs of medically complex cases. In other words, skilled nursing homes and the population of these homes have changed rather dramatically in the last 15 years, and there are more and more very sick people in the skilled nursing home facilities, and we call these medically complex cases. The reimbursements we are now giving skilled nursing homes do not cover the care for the medically complex cases. Secondly, it put a moratorium—that is, the Senate bill—on the $1,500 therapy caps that have been so disruptive to care to many seniors.

Quite frankly, one of the messages I would like the Senate to hear today is that the House bill is completely inadequate in this area. In fact, the House bill puts only $100 million—one-tenth of $1 billion—directly into the payment rates to correct the problem of high cost cases. That is $1.3 billion less than the Senate bill. Obviously, there is a problem, or there isn't a problem. If there is no problem, then the House is right. Fund it with $100 million, which is almost nothing. But if there is a problem, obviously $100 million over 3 years will not solve that problem. The Senate is more apt to be right at $1.3 billion for skilled nursing homes.

The House bill tries to salvage the concept of putting caps on therapy services, which is the wrong way to be approaching and controlling the costs in this area.

The Medicare relief package reported by our Finance Committee—I give the Finance Committee great credit and Chairman BILL ROTH extraordinary credit—includes other provisions: $1.8 billion for teaching hospitals, all hospitals $2.5 billion more than today's plans, and for home health, $1.3 billion to delay a 15-percent cut.

Many of us have looked at all of these and think they are needed and should be supported. But certainly to go to conference and tragically leave out of the package anything significant for skilled nursing homes, I tell you that we will rue the day. It will not be 6 months to a year when there will be closings across this land, and we will have sick senior citizens unattended in nursing home after nursing home across this country.

Even if the other provisions survive the conference and the nursing provisions do not, let me repeat that I think we will have failed the No. 1 problem in the delivery system right now, especially for those who can do nothing for themselves. They are the very sick seniors in nursing homes.

I don't know any other way than to say that the Senate voted overwhelmingly for these provisions. I hope that means they will carry this message into this conference and will insist that the House concede when it comes to skilled nursing home parts of this bill and put substantially more into reimbursing provisions; that is, the two that I have mentioned here today.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

MESSAGES FROM THE HOUSE

At 11:54 a.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 609. An act to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

The enrolled bill was signed subsequently by the President pro tempore (Mr. BYRD).

At 2:50 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3196. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 37. Joint resolution urging the President to negotiate a new base rights agreement with the Government of Panama in order for United States Armed Forces to be stationed in Panama after December 31, 1999.

The following bill was read twice and placed on the calendar:

H.R. 3196. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The following joint resolution, previously signed by the Speaker of the House, was signed on today, November 5, 1999, by the President pro tempore (Mr. THURMOND):

H.J. Res. 75. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6037. A communication from the President, Overseas Private Investment Corporation, transmitting, pursuant to law, a report relative to its formal management control review program for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6038. A communication from the Director, U.S. Trade and Development Agency, transmitting, pursuant to law, a report relative to its audit and internal management activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6039. A communication from the Office of Independent Counsel, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6040. A communication from the Office of Independent Counsel, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6041. A communication from the Director, the Woodrow Wilson Center, transmitting, pursuant to law, a report relative to its audit and investigative activities for fiscal year 1998; to the Committee on Governmental Affairs.

EC–6042. A communication from the Chairman, Farm Credit System Insurance Corporation, transmitting, pursuant to law, a report relative the Federal Manager's Financial Integrity Act and the Inspector General Act Amendments of 1978 for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6043. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-146, ''Josephine Butler Parks Center Property Tax Relief Act of 1999''; to the Committee on Governmental Affairs.

EC–6044. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-156, ''Child Support and Welfare Reform Compliance Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6045. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-159, ''Motor Vehicle Excessive Idling Exemption Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6046. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report

on D.C. Act 13-154, ''District of Columbia Board of Real Property Assessments and Appeals Membership Simplification Act of 1999''; to the Committee on Governmental Affairs.

EC–6047. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-155, ''Adoption and Safe Families Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6048. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-147, ''Separation Pay Adjustment Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6049. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-149, ''Annuitants' Health and Life Insurance Employer Contribution Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6050. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-157, ''University of the District of Columbia Board of Trustees Residency Requirement Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6051. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-158, ''Noise Control Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6052. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-148, ''Mt. Gilead Baptist Church Equitable Real Property Tax Relief Act of 1999''; to the Committee on Governmental Affairs.

EC–6053. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-163, ''Temporary Real Property Tax Exemption for the Phillips Collection Temporary Act of 1999''; to the Committee on Governmental Affairs.

EC–6054. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-161, ''Lateral Appointment of Law Enforcement Officers Temporary Amendment Act of 1999''; to the Committee on Governmental Affairs.

EC–6055. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-162, ''Sex Offender Registration Temporary Act of 1999''; to the Committee on Governmental Affairs.

EC–6056. A communication from the Chair, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, a report relative to the District of Columbia Financial Responsibility and Management Assistance Act for fiscal year 1999; to the Committee on Governmental Affairs.

EC–6057. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to and deletions from the Procurement List, received November 2, 1999; to the Committee on Governmental Affairs.

EC–6058. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Food Additives Permitted for Direct Addition to Food for Human Consumption; Polysorbate 60'' (84F–0050), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–6059. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Polymers'' (99F–0345), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–6060. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Listing of Color Additives for Coloring Meniscal Tacks; D&C Violet No. 2; Confirmation of Effective Date'' (98C–0158), received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–6061. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Student Assistance General Provisions-Student Eligibility'', received November 2, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–6062. A communication from the Acting General Counsel, Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Board of Immigration Appeals: Streamlining'' (RIN1125–AA22), received November 2, 1999; to the Committee on the Judiciary.

EC–6063. A communication from the Attorney General, transmitting, a report relative to the position of the Department of Justice in the Supreme Court in ''Dickerson v. United States''; to the Committee on the Judiciary.

EC–6064. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Adequate Disclosure'' (Rev. Proc. 99–41), received November 2, 1999; to the Committee on Finance.

EC–6065. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Cost-of-Living Adjustments'' (Rev. Proc. 99–42), received November 3, 1999; to the Committee on Finance.

EC–6066. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Reopenings of Treasury Securities'' (RIN1545–AX61) (TD8840), received November 3, 1999; to the Committee on Finance.

EC–6067. A communication from the Acting Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Reduction of Title II Benefits Under the Family Maximum Provisions in Cases of Dual Entitlement'' (RIN0960–AE85), received November 3, 1999; to the Committee on Finance.

EC–6068. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''North Dakota Regulatory Program'', received November 3, 1999; to the Committee on Energy and Natural Resources.

EC–6069. A communication from the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report entitled ''Status of Fisheries of the United States''; to the Committee on Commerce, Science, and Transportation.

EC–6070. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''National Fisheries Habitat Program: Request for Proposals for FY 2000'' (RIN0648–ZA71), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6071. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Application of Marine Biotechnology to Assess the Health of Coastal Ecosystems: Request for Proposals for FY 2000'' (RIN0648–ZA74), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6072. A communication from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''National Sea Grant College Program—National Marine Fisheries Service Joint Graduate Fellowship Programs in Population Dynamics and Marine Resource Economics'' (RIN0648–ZA69), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6073. A communication from the Deputy Assistant Administrator for Fisheries, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Final Rule to Implement Portions of the Comprehensive Amendment Addressing Sustainable Fisheries Act Definitions and Other Required Provisions in the Fishery Management Plans of the South Atlantic Region'' (RIN0648–AL42), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6074. A communication from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Interconnection and Resale Obligations Pertaining to CMRS, et al.'' (CC Docket No. 94–54, WT Docket No. 98–100, and GN Docket No. 94–33; FCC 99–250), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6075. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision to Class E Airspace; Hebbonville, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–24 (10–29/11–1)'' (RIN2120–AA66) (1999–0359), received November 3, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6076. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision to Class E Airspace; El Paso, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–26 (10–29/11–1)'' (RIN2120–AA66) (1999–0360), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6077. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Year 2000 Airport Safety Inspection'' (RIN2120–AG83), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6078. A communication from the Program Analyst, Office of the Chief Counsel,

Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision to Class E Airspace; Beaumont, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–25 (10–29/11–1)'' (RIN2120–AA66) (1999–0361), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6079. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Bell Helicopter Textron Canada Model 407 Helicopters; Docket No. 99–SW–07 (10–28/11–1)'' (RIN2120–AA64) (1999–0426), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6080. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Pratt and Whitney JT8D Series Turbofan Engines; Docket No. 92–ANE–15 (10–29/11–1)'' (RIN2120–AA64) (1999–0425), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6081. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; British Aerospace Model B Ae 146 and Avro 146–RJ Series Airplanes; Docket No. 99–NM–27 (10–28/11–1)'' (RIN2120–AA64) (1999–0427), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6082. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Eurocopter France Model A32, L, and L1 Helicopters; Docket No. 98–SW–59'' (RIN2120–AA64) (1999–0428), received November 2, 1999; to the Committee on Commerce, Science, and Transportation.

EC–6083. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Pollutant Discharge Elimination System—Regulations for Revision of the Water Pollution Control Program Addressing Storm Water Discharges'' (FRL #6470–8), received November 3, 1999; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1374. A bill to authorize the development and maintenance of a multiagency campus project in the town of Jackson, Wyoming (Rept. No. 106–215).

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 1503. A bill to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2003 (Rept. No. 106–216).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 1907. A bill to amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and an amended preamble:

S. Res. 217. A resolution relating to the freedom of belief, expression, and association in the People's Republic of China.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted on November 3, 1999:

By Mr. THOMPSON for the Committee on Governmental Affairs:

John F. Walsh, of Connecticut, to be a Governor of the United States Postal Service for a term expiring December 8, 2006.

LaGree Sylvia Daniels, of Pennsylvania, to be a Governor of the United States Postal Service for a term expiring December 8, 2007.

Joshua Gotbaum, of New York, to be Controller, Office of Federal Financial Management, Office of Management and Budget.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' 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. ROBB (for himself and Mr. BAUCUS):

S. 1867. A bill to amend the Internal Revenue Code of 1986 to provide a tax reduction for small businesses, and for other purposes; to the Committee on Finance.

By Mr. DURBIN (for himself and Mr. HARKIN):

S. 1868. A bill to improve the safety of shell eggs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS:

S. 1869. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Korea, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

S. 1870. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Singapore, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

S. 1871. A bill to authorize the negotiation of a Free Trade Agreement with Chile, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

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

S. 1872. A bill to amend the Federal Credit Union Act with respect to the definition of a member business loan; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SESSIONS (for himself, Mr. HUTCHINSON, Mr. WARNER, Mr. TORRICELLI, Mr. MACK, Mr. SHELBY, Mr. NICKLES, Mr. INHOFE, Mr. THURMOND, Mr. ASHCROFT, Mr. MCCONNELL, Mr. ROBERTS, Mr. KOHL, Mr. FEINGOLD, Mr. CLELAND, Mr. HOLLINGS, Mr. BREAUX, Mr. GRAHAM, Ms. COLLINS, Mr. GRAMS, Mr. LAUTENBERG, Mr. ENZI, Mr. MURKOWSKI, Mr. GORTON, Ms. LANDRIEU, Mr. ROBB, and Mrs. LINCOLN):

S. 1873. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRAHAM (for himself, Mr. BINGAMAN, and Mrs. FEINSTEIN):

S. 1874. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive personnel during non-school hours; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 1875. A bill to amend the Agricultural Marketing Act of 1946 to remove the prohibition on the use of funds to pay for newspaper or periodical advertising space or radio time; to the Committee on Agriculture, Nutrition, and Forestry.

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

S. 1876. A bill to amend the High-Performance Computing Act of 1991 to require a report to Congress; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 221. A resolution to authorize testimony and document production in the Matter of Pamela A. Carter v. HealthSource Saginaw; considered and agreed to.

By Mr. SMITH of New Hampshire (for himself and Mr. REID):

S. Res. 222. A resolution to revise the procedures of the Select Committee on Ethics; considered and agreed to.

By Ms. SNOWE:

S. Con. Res. 69. A concurrent resolution requesting that the United States Postal Service issue a commemorative postal stamp honoring the 200th anniversary of the naval shipyard system; to the Committee on Governmental Affairs.

S. Con. Res. 70. A concurrent resolution requesting that the United States Postal Service issue a commemorative postage stamp honoring the national veterans service organizations of the United States; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself and Mr. HARKIN):

S. 1868. A bill to improve the safety of shell eggs; to the Committee on Agriculture, Nutrition, and Forestry.

EGG SAFETY ACT OF 1999

Mr. DURBIN. Mr. President, today I am introducing the Egg Safety Act of 1999. This legislation would improve the safety of our nation's egg supply by granting USDA's Food Safety and Inspection Service (FSIS) the authority to regulate and inspect shell eggs from farm to retail level, requiring labeling on egg cartons, requiring uniform expiration dating for all shell eggs, and prohibiting repackaging of eggs.

Last year, I requested a report from the General Accounting Office (GAO) regarding the safety of our egg supply. On July 1 of this year, that report was released at a hearing before the Government Affairs Subcommittee on Oversight of Government Management, on which I serve. According to the report, the GAO found cracks, confusion and contradictions in our nation's efforts to protect consumers against contaminated eggs and egg products.

Approximately 67 billion eggs are sold each year in the United States, with each American eating an average of 245 during that time. Eggs are a nutrient-dense food that plays an important part in most Americans' diets, either alone or as an ingredient in other foods. However, eggs, like any other perishable product, need to be handled with care. Perishable products will always have a degree of risk, but this risk is manageable.

According to the Centers for Disease Prevention and Control (CDC), Salmonella enteriditis (SE), a bacteria commonly associated with raw or undercooked eggs, caused about 300,000 illnesses in 1997, resulting in between 115 and 230 deaths. According to the U.S. Department of Agriculture (USDA), the economic costs of foodborne illnesses related to eggs were estimated to be between $225 million and $3 billion in 1996. Between 1985 and 1998, 81.7 percent of SE outbreaks were associated with eggs.

In 1998, the Illinois Department of Public Health recorded 405 reported cases and five deaths resulting from SE. Food-borne illness has struck in Illinois several times over the past decade, including a 1990 outbreak of SE from bread pudding with 1,100 reported cases; a 1993 outbreak of SE from pancakes with 22 reported cases; and a 1993 outbreak of SE from bearnaise sauce with 13 reported cases.

Make no mistake about it: our country has one of the safest egg supplies in the world. But we have the science and know-how to make it even safer. Eating French toast, Caesar salad, or any other foods that may include raw or undercooked eggs is a manageable risk that can be reduced even further. Make some common sense changes in our federal food safety efforts can protect consumers, families and the credibility of U.S. food products at home and abroad.

How would putting all egg safety responsibilities within one agency make eggs safer? According to the GAO report, lack of coordination between the four federal agencies responsible for egg safety has resulted in gaps, inconsistencies and inefficiencies. For example, while one of those agencies, USDA, conducts daily inspections of plants where eggs are broken and made safe by pasteurization, another agency, Food and Drug Administration, rarely inspects egg farms or facilities where unbroken shell eggs are packed unless the agency is trying to trace an outbreak of illness.

The absence of or inconsistent egg carton expiration dating laws can mislead consumers. Consumers may believe the expiration date accurately reflects the age of the egg. For example, when comparing carton dates, a consumer may be more likely to select eggs not graded by USDA because a later date on the carton seems to imply that those eggs are fresher. But the eggs with the later date may actually be the older ones. Under the USDA Agricultural marketing Service voluntary egg grading program, expiration dates are set at 30 days from the date the eggs were packed. However, some egg processors that do not participate in the voluntary program set their own expiration date or have no expiration date at all.

The Egg Safety Act of 1999 would require uniform expiration dating for all shell eggs. No eggs packed for consumers could be older than 21 days from the date of lay when packed, and they must carry an ''expiration date'' or ''sell by date'' of no more than 30 days from the packing date.

Repackaging or re-dating of eggs provides the wrong information to consumers. Both time and temperature safeguards are likely to be compromised in eggs that are repackaged. For example, repackaged eggs are rewashed in hot water which can lead to increased SE risk. Under the USDA Agricultural Marketing Service voluntary egg grading program, which includes 30 percent of shell eggs, repackaging is prohibited for eggs coming back from the retail level but allowed for eggs stored at the packaging plan. Industry has called for a prohibition on egg repackaging.

While repackaging may not be a widespread practice, it should be completely prohibited. The Egg Safety Act of 1999 would prohibit eggs returned to the packer from grocery stores or other retail establishments from being repackaged as shell eggs intended for human consumption. These eggs could only be diverted for further processing as pasteurized egg products.

The Egg Safety Act of 1999 would also grant FSIS the authority to regulate and inspect shell eggs from farm to retail level for the purpose of ensuring the protection of public health. The standard for inspection frequency would be ''continuous monitoring and verification of performance standards.'' The bill would also require FSIS to implement a ''Hazard Analysis and Critical Control Point'' (HACCP) program for egg safety.

The Egg Safety Act of 1999 would require labeling on egg cartons to warn consumers of the risk of illness associated with consuming raw or undercooked eggs. This labeling requirement would be in addition to the current ''keep refrigerated'' label which remains a requirement for all eggs.

The Egg Safety Act of 1999 is supported by the Center for Science in the Public Interest, Consumers Union and Consumer Federation of America.

Consumers should have the information they need and the assurance they deserve when buying eggs. They should be able to count on the fact that what they're putting on the table is as safe as possible. The Egg Safety Act of 1999 is one step toward ensuring that goal.

Mr. President, I urge my colleagues to join me in cosponsoring this important legislation, to give people the assurance that the eggs they buy are safe.

By Mr. BAUCUS:

S. 1869. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Korea, and to provide for expedited congressional consideration of such an agreement; the Committee on Finance.

UNITED STATES-REPUBLIC OF KOREA FREE TRADE AGREEMENT ACT OF 1999

S. 1870. A bill to authorize the negotiation of a Free Trade Agreement with the Republic of Singapore, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT ACT OF 1999

S. 1871. A bill to authorize the negotiation of a Free Trade Agreement with Chile, and to provide for expedited congressional consideration of such an agreement; to the Committee on Finance.

UNITED STATES-CHILE FREE TRADE AGREEMENT ACT OF 1999

● Mr. BAUCUS. Mr. President I rise to send three separate bills to the desk. I am introducing these three pieces of legislation because I am very concerned about the direction of U.S. trade policy. Since the end of World War II, America has maintained a strong domestic consensus on the importance of open markets, allowing us to lead the world into an era of unprecedented growth. That consensus is fraying at the edges. Divisions over the role of labor and the environment have helped to undermine it.

These divisions have prevented us from re-instituting fast track negotiating authority, which lapsed nearly five years ago. While we hesitate, the rest of the world continues to move forward on economic integration. Regional trade arrangements in Europe, Latin America, and Asia put U.S. exporters at a competitive disadvantage. We lose overseas markets to foreign competitors who enjoy trade preferences for which our farmers, manufacturers and service providers are ineligible. In my home state of Montana, wheat exporters have lost their share of the Chilean market to Canadian farmers, who are not subject to the 11% Chilean import duty that Montana farmers face.

If we cannot agree on a global fast-track bill, then we should institute fast-track authority for specific countries where we have strategic commercial and political interests. In doing so, we should choose countries which not only share our commitment to open markets, but also share our values for environmental quality and labor rights.

I recently outlined some broad principles on trade and the environment in a statement here on the Senate floor. FTA's should be consistent with those principles. In addition to addressing the environment, they should also firmly support core labor standards.

As to the countries, the bills I am introducing provide authority to negotiate bilateral free trade agreements with three important trading partners: Singapore, the Republic of Korea and Chile. Taken together, these three countries buy about $40 billion worth of U.S. goods annually.

For a number of years, the United States has considered, informally or formally, negotiating FTA's with all three of them. Soon after signing NAFTA, we talked to Chile about acceding to it as the fourth NAFTA partner. Chile waited patiently for Congress to give the President negotiating authority. That authority never arrived. Since then, Chile has gone ahead and signed bilateral trade agreements with both Mexico and Canada.

Similarly, we broached the notion of either an FTA or accession to NAFTA with Singapore several years ago. Of all the countries of East Asia, none is more committed to open markets than Singapore. Negotiating an FTA not only makes commercial sense, it also reinforces our engagement in the Pacific Basin.

Finally, the Republic of Korea is a country which has made enormous economic and political progress in the past two decades. It is now in the midst of a very painful restructuring forced upon it by the Asian financial crisis. An FTA with Korea would lock in the gains—both economic and political—of the past, much as NAFTA did for Mexico. Recently, the Deputy U.S. Trade Representative said that an FTA with Korea was an interesting idea, but that the only way to get there was to resolve our bilateral trade disputes. I think that's backwards. FTA negotiations are a way to resolve these issues.

The bills also establish a general policy framework for negotiating free trade agreements. They require that FTA's address the full range of issues, from guaranteeing national treatment and market access, to protecting intellectual property. They require that FTA's address electronic commerce, an area where the United States has a strong commercial interest. And hey require that FTA's address the labor and environmental issues.

I entered the Senate not too many years after Congress passed the original fast-track legislation. At that time, the notion of ''intellectual property'' was something novel. The idea that ''intellectual property'' should be considered in trade negotiations was ridiculed. Many said that patents, copyrights and trademarks were domestic issues, and thus not appropriate subject for trade agreements. But the United States insisted that the world trading system address these issues. We put a lot of political capital behind it. Today, nobody questions the appropriateness of WTO rules for trade-related intellectual property rules.

I firmly believe that in the near future, we will see the same result with trade-related labor and environmental issues. We cannot—and should not—avoid these issues. So the bills I am introducing require that FTA's address trade aspects of labor and the environment.

We must identify potential environmental consequences—both positive and negative—of trade agreements, and put in place mechanisms to deal with any adverse impacts. Similarly, we must reaffirm our commitment to core labor standards through a mechanism dealing with any adverse impacts that trade agreements have on labor markets.

Mr. President, we need to send a strong signal to the rest of the world that the United States intends to continue its leadership of the global trading system. The Africa Trade Bill that we passed here this week was an excellent step in the right direction. We must continue to make progress on opening markets for American farmers, manufacturers and service providers. Negotiating bilateral free trade agreements with like-minded countries will support our multilateral negotiations in the WTO.

Just as we negotiated NAFTA and the Uruguay round at the same time, we should pursue bilateral free trade agreements with Chile, Korea, and Singapore while we are negotiating the next round in the WTO.●

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

S. 1872. A bill to amend the Federal Credit Union Act with respect to the definition of a member business loan; to the Committee on Banking, Housing, and Urban Affairs.

FAITH BASED LENDING LEGISLATION

Mr. SESSIONS. Mr. President, I rise today to introduce legislation with my colleagues, Senator CHRIS DODD, which will support the work of over 600 religious organization based credit unions in the U.S. Many of these credit unions provide an essential source of financing for churches, religious schools, mission agencies, and related community projects such as homeless shelters, drug intervention facilities, and homes for abused women and children.

Some of these credit unions rely on other credit unions to fund their loans to religious organizations through loan participation agreements. these loan participation agreements are classified as business loans and are counted against the member business loan caps that credit unions must abide by as a result of the Credit Union Membership Access Act signed into law last year. Consequently, the exemption for credit unions having a history of business lending contained in that act though well intended, doesn't solve the problem because religious organizations based CUs will not be able to sell loans to other credit unions who will have to count these faith based loans toward their business lending cap.

The sale of loan participations is a necessary first step before any of these loans can be originated. the legislation I am introducing along with Senator DODD will allow the approximately 600 religious organization based credit unions in America to exempt from loan participations those loans they originate to religious non-profit organizations. In doing so, our bill will assure a steady source of capital for these organizations and community based missions.

Finally, Mr. President, I would like remind my colleagues that religious organization based credit unions enjoy a long history of safe lending and encourage them join Senator DODD and me in passing this legislation. No other credit union program will do more to help the poor, the homeless, the disabled and those otherwise in need.

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

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

S. 1872

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

SECTION 1. MEMBER BUSINESS LOAN EXCEPTION.

Section 107a(c)(1)(B) of the Federal Credit Union Act (12 U.S.C. 1757a(c)(1)(B)) is amended—

(1) in clause (iv), by striking ''or'' at the end;

(2) in clause (v), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(vi) that is made to a nonprofit religious organization.''.

By Mr. SESSIONS (for himself, Mr. HUTCHINSON, Mr. WARNER, Mr. TORRICELLI, Mr. MACK, Mr. SHELBY, Mr. NICKLES, Mr. INHOFE, Mr. THURMOND, Mr. ASHCROFT, Mr. MCCONNELL, Mr. ROBERTS, Mr. KOHL, Mr. FEINGOLD, Mr. CLELAND, Mr. HOLLINGS, Mr. BRUAUX, Mr. GRAHAM, Ms. Collins, Mr. GRAMS, Mr. LAUTENBERG, Mr. ENZI, and Mr. MURKOWSKI):

S. 1873. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Health, Education, Labor, and Pensions.

ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK LEGISLATION

Mr. SESSIONS. Mr. President, I am proud today to join with Senators TIM HUTCHINSON, WARNER, TORRICELLI, MACK, SHELBY, NICKLES, INHOFE, THURMOND, ASHCROFT, MCCONNELL, ROBERTS, KOHL, FEINGOLD, CLELAND, HOLLINGS, BREAUX, GRAHAM, COLLINS, GRAMS, LAUTENBERG, ENZI, MURKOWSKI, GORTON, LANDRIEU, ROBB and LINCOLN in introducing the Organ Donation Regulatory Relief Act of 1999.

This legislation is designed to prevent an unprecedented Federal takeover of our Nation's organ transplant system by the Department of Health and Human Services. This act would nullify a highly controversial rule issued by the Secretary of Health and Human Services, Donna Shalala, that would give her sole authority to approve or disapprove organ allocation policies that are currently established by the private-sector transplant community throughout this country.

This move by the administration would preempt Congress' role in encouraging a fair and equitable transplant system through the authorization of the National Organ Transplant Act. My bill would simply nullify the proposed HHS rule until such time as Congress passes amendments to the National Organ Transplant Act.

This bill would preserve Congress' prerogative to consider changes or improvements to the current system while maintaining the private-sector role of thousands of patients, families, volunteers, and medical professionals that are now responsible for our organ transplant policy. It will allow Congress the time needed to consider new initiatives to encourage more organ donation which is the heart of our organ shortage problem.

In my home State of Alabama, the University of Alabama-Birmingham, has one of the most effective and finest organ transplant centers in the world. It is the largest liver transplant facility in the world. I am extremely proud of their efforts. Let me just say this, this system has been built up carefully, utilizing State law and other laws. It works very effectively.

I am very concerned that Federal Government policies have now been proposed that would upset this. It has not only upset the University of Alabama-Birmingham but transplant centers, and mainly university hospitals all over the country. And that is why we believe action needs to be taken at this time.

I believe the current plan is fair and does a good job of acquiring and allocating organs for transplantation. For example, since the passage of the National Organ Transplant Act in 1984, the number of people receiving organs has increased annually, and the survival rate has improved steadily.

A recent study by the Institute of Medicine came to the same conclusion:

> The committee found that the current system is reasonably equitable for the most severely ill (Status 1) liver patients, since the likelihood of receiving a transplant is similar across organ procurement organizations for these patients.

The Institute of Medicine study contradicted the underlying rationale in some numbers that I believe were unwisely interpreted. They underlie this rationale for the controversial ''rule'' on organ allocation that has been proposed by the Department of Health and Human Services.

In a careful analysis of 68,000 liver patient records, the Institute of Medicine panel said:

> . . . the ''overall median waiting time'' that patients wait for organs—the issue that seems to have brought the committee to the table in the first place—is not a useful statistic for comparing access to or equity of the current system of liver transplantation, especially when aggregated across all categories of liver transplant patients.

HHS has maintained that reducing regional differences in waiting times was the primary goal of their new rule on organ allocation. The HHS rule is a solution in search of a problem and would only inhibit the continual improvements made by the transplant community since the passage of NOTA 15 years ago.

The HHS policy is also shortsighted in its wholesale preemption of State laws regarding organ transplantation. Many of the beneficial policies that have served to improve organ procurement and donation are based on State laws, such as the organ donor checkoff on driver's licenses, and the HHS preemption fails to recognize that fact.

This year's Labor-HHS appropriations bill provided for a 3-month moratorium on the implementation of the rule from the time of its enactment. But, unfortunately, this may not and probably will not provide adequate time for Congress to consider this very complicated issue in the context of amendments to the National Organ Transplant Act.

That is why it is necessary, indeed, imperative. And that is why 26 Senators have signed on to this legislation in such a short period of time. It is imperative that we nullify the rule so that these life-and-death issues can be considered without fear of a clock running out on ways to improve the current system and provide the gift of life to so many Americans.

Hospitals and the physicians who operate in those hospitals are the key to the success of the organ transplant program. They receive phone calls at all hours of the night, and they go out and retrieve those organs from people who have been killed. And they have to do it under short periods of time. If they are going to do that simply to send off the organs to some hospital of which they are not committed personally or to patients of which they are not serving, they will not be as effective in retrieving the organs. Not as many people will benefit and not as many people will have their lives saved as a result.

I believe that HHS' actions are unwise. It reminds me of that old adage: If it ain't broke, don't fix it.

We do not have and have not seen a real complaint from the citizens of America over the operation of our organ transplant system. This has been created by unelected bureaucrats here in Washington, and it is not healthy, in my view.

But there will be a full opportunity, if this bill is passed, to allow the Health, Education, Labor, and Pensions Committee, of which I am a member, to hold hearings and review the facts in order to develop the best transplant program we possibly can. If we can improve the system, I say let's do it. But let's be sure we do not break something that is not broken already.

So I thank the outstanding work of several of my colleagues on this important issue, including Senators TIM HUTCHINSON, JOHN WARNER, ROBERT TORRICELLI, and Senator DON NICKLES, the assistant majority leader. Without their leadership, this legislation could not have come to fruition.

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. 1873

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

SECTION 1. NULLIFICATION AND REQUIREMENT FOR FURTHER RULEMAKING.

(a) LIMITATION.—Notwithstanding any other provision of law, the final rule relating to the Organ Procurement and Transplantation Network, promulgated by the Secretary of Health and Human Services and published in the Federal Register on April 2, 1998 (63 Fed. Reg. 16296 et. seq. adding part 121 to title 42, Code of Federal Regulations) and amended on October 20, 1999 (64 Fed. Reg. 56649 et seq.)), shall have no force or legal effect.

(b) NO IMPLEMENTATION OR AUTHORITY.—The Secretary of Health and Human Services shall not implement or exercise further regulatory authority with respect to the Organ Procurement and Transplantation Network, as well as regulatory authority under sections 1102, 1106, 1138, and 1871 of the Social Security Act (42 U.S.C. 1302, 1306, 1320b–8, and 1395hh), prior to the date of enactment of amendments to reauthorize and revise part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.).

By Mr. GRAHAM (for himself, Mr. BINGAMAN, and Mrs. FEINSTEIN):

S. 1874. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours; to the Committee on the Judiciary.

INTRODUCTION OF THE POLICE ATHLETIC LEAGUE (PAL) YOUTH ENRICHMENT ACT OF 1999

● Mr. GRAHAM. Mr. President, I am extremely pleased to join with my distinguished colleagues, Senator BINGAMAN and Senator FEINSTEIN, in introducing the Police Athletic League (PAL) Youth Enrichment Act of 1999. This legislation is designed to reduce both juvenile crime and the risk that youth will become victims of crime. By providing productive activities during non-school hours in communities across this country, we can provide the healthy environment that our young people deserve. Outside the home, there is no safer place in any community than a school, a playground, a community center, or a park where law enforcement personnel are coordinating the activities.

The Police Athletic League actually started back in the 1910's. A group of

New York youth tossed a rock through a shopkeeper's window. That rock pioneered a new approach to juvenile delinquency prevention. Lieutenant Ed Flynn used that incident to create the Police Athletic League—an organization that makes police officers into role models and friends rather than enemies. PAL brings cops and kids together in activities where mutual trust and respect can be built. It is a statement to young people, particularly in less advantaged neighborhoods, that the community cares about them. It extends a hand of friendship to children—boys, girls, young men and women—who do not have many opportunities.

Mr. President, there is clearly a direct link between crime prevention and PAL participation. Young people who are idle have the potential to be drawn into crime. In Baltimore, the PAL centers have cut juvenile crime by 30 percent and decreased juvenile victimization by 40 percent. In El Centro, California, PAL has reduced juvenile crime and gang activity in the HUD Housing Development by 64 percent.

PAL, staffed by police officers, has numerous success stories of helping to shape the lives of individuals. In my own state of Florida, former PAL kid Ed Tobin is now a successful attorney. Steve Colin is a well known radio station personality in Miami Beach. In Jacksonville, 23 Sheriff's Officers were PAL kids. Derrick Alexander of the Cleveland Browns and Shawn Jefferson of the New England Patriots were both PAL kids.

Our legislation seeks to expand services of current chapters and provide seed money for 50 new chapters per year for the next 5 years (2000–2004). New chapters will offer programs providing a combination of mentoring assistance; academic assistance; recreational and athletic activities; technology training; and drug, alcohol, and gang prevention activities. This list is by no means exhaustive. PAL centers also offer health and nutrition counseling; cultural and social programs; conflict resolution training, anger management, and peer pressure training; job skill preparation activities; and Youth PAL conferences or Youth Forums.

PAL currently has 320 chapters serving over 3,000 communities with a network of 1,700 facilities. Today, they mentor and serve more than one and half million young people, ages 6 to 18, throughout the United States, the U.S. Virgin Islands, and Puerto Rico. In my home state, the Miami-Dade PAL serves over 13,000 youth annually, and Jacksonville serves over 12,000. We know, however, that many areas are still undeserved by PAL chapters.

Law enforcement, community organizations, and local governments strongly support this bill. Mr. President, this investment in our youth will pay for itself many times over in reduced crime and law enforcement costs. I urge all my colleagues to support the passage of this much needed legislation. Together with the Police Athletic League, we can fill playgrounds instead of prisons.●

● Mr. BINGAMAN. Mr. President, I rise today to join with Senator GRAHAM in introducing the ''Police Athletic League Youth Enrichment Act of 1999.''

The Police Athletic League (PAL) is a national organization that has been teaming up law enforcement with our nation's youth for the past 55 years. New Mexico is fortunate to have a statewide PAL program. The New Mexico PAL provides New Mexico's youth with a variety of after-school and summer activities. Last year, the New Mexico PAL provided hundreds of New Mexico kids with alternatives to getting into trouble. For these reasons, I am very proud to introduce the PAL Youth Enrichment Act with Senator Graham.

In New Mexico, the PAL chapter has ten sites around the state: Santa Fe, Albuquerque, Gallup, Tohatchi, Bloomfield, Roswell, Dona Ana County, Clovis, Lordsburg and the Pueblo of Cochiti. The goal of the New Mexico PAL is to provide recreational, educational and cultural activities for at-risk youth ages five to eighteen with the intent of reducing negative behaviors and promoting healthy behavioral patterns. PAL aims to build self-esteem and resiliency in youth and provide positive alternatives to alcohol, drug use, delinquent behavior and violence. The New Mexico PAL sponsors sporting leagues throughout the year, participates in Sports Days during the summer, sponsors a one-week summer camp and offers ongoing mentoring opportunities for youth.

The PAL volunteers not only play sports with the youth, but they fight for the youth. In Albuquerque, the PAL chapter aided in preserving the use of a baseball field for the youth sporting leagues.

Last summer the New Mexico PAL held several Youth Sports Days that attracted between 40 and 150 kids in each community. In August, I attended the Youth Sports Day in Santa Fe. The daylong event provided the younger kinds in the community with a variety of sporting events, prizes and lunch. The kids and parents interacted with the law enforcement officers in a setting that allowed them to see the officers as community members, mentors and leaders.

The New Mexico PAL also sponsors a week long summer camp, Camp Courage, each year at the Cochiti Lake. It is a reward camp for kids that have said ''no'' to antisocial behavior. More than one hundred kids participate in this program annually. Because a camp requires a lower adult child ratio, the local FBI agents, DEA agents and the National Guard joined with the local police and sheriffs in organizing a week of intense sporting activities. They also offered themselves as mentors and reachers for the youth. The commitment of these law enforcement officers to the youth of New Mexico is truly admirable.

After seeing what the New Mexico PAL has accomplished, I have come to be a great supporter of PAL. I now want other communities around the nation to be able to benefit from the same programs and services and for more New Mexico communities to be able to start PAL programs. As I see it, a police officer's duty is primarily to protect a community. I look at PAL as law enforcement's way of helping protect the health of our kids—both the physical well being and the mental well being.

The PAL Youth Enrichment Act will enable existing PAL to expand their services and provide seed money for new PAL in distressed communities, including many Native American communities. The goal is to provide seed money for fifty new chapters each year for the next five years. By providing $16 million annually for new and existing PAL, youth around the country will benefit from a combination of academic assistance; mentoring assistance; recreational and athletic activities; technology training; drug, alcohol, and gang prevention activities; health and nutrition counseling; cultural and social programs, conflict resolution training; anger management; peer pressure training; and job skill preparation classes.

Although PAL chapters consist of local law enforcement, they do not receive direct funding from the law enforcement agencies, and instead rely on the efforts of volunteers and fund-raising proceeds. Because of this funding situation, in 1977 I urged Congress to appropriate funds for the New Mexico PAL. In 1998 I succeeded in getting $1 million appropriated through the Commerce-Justice-State Appropriations bill for the New Mexico PAL program to expand the PAL services to communities around the State and to greatly enhance the current programs it offered. This money has enabled the New Mexico PAL to carry out its summer programs, its Camp Courage, and many other new activities. It also has allowed them to expand the program to tribal communities in northwest New Mexico, with the cooperation of the tribal police in those areas. The PAL Youth Enrichment Act will provide the funding needed to continue programs like the New Mexico PAL and will give other states the incentive to start up PAL programs in distressed communities.

Kids need healthy alternatives to crime and assistance in dealing with their anger. Athletics and recreational activities like dancing and drama greatly improves one's well being—both physically and mentally—and give teens an outlet for their energy and anger. PAL's sports and recreational activities also help kids learn the importance of teamwork and help boost their self-esteem when they accomplish more than they thought possible.

Many folks do not realize it but the PALs have produced some great athletes over the years. New Mexico is proud of its native son, Danny Romero Jr., a former two-time world boxing champion and an alumnus of the New Mexico PAL program. According to Danny's father, the PAL philosophy taught his son life skills that he could no have learned any where else and kept him out of trouble.

Mr. President, I encourage the Senate to take up and pass this worthwhile legislation that expands a program with proven positive results. Just ask the 1.5 million children in more than 3,000 communities that the PAL program over the past 55 years has served. The PAL programs will change our youth's attitude toward police, will provide a variety of alternatives to criminal behavior and will positively influence a child's mental and physical well-being. I hope that my Senate colleagues will join me in supporting this important legislation●

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

S. 1876. A bill to amend the High-Performance Computing Act of 1991 to require a report to Congress; to the Committee on Health, Education, Labor, and Pensions.

SCIENCE AND EDUCATIONAL NETWORKING ACT

● Mr. DODD. Mr. President, I am pleased to rise today to introduce the Science and Educational Networking Act with my colleague from West Virginia, Senator ROCKEFELLER. This legislation is a companion bill to legislation introduced in the other body by one of my Connecticut colleagues, JOHN LARSON and cosponsored by 49 other members.

Very simply, the Science and Educational Networking Act charts a course for the future for our schools and for education technology. Just as we cannot imagine schools and learning without books and pencils, computers and technology have become today a critical element in education. But like other tools, technology has its limits. Teachers must be trained to use technology in their teaching. Curriculum must incorporate and utilize technology. Students must have access to computers. Classroom technology must be connected, integrated and of high quality.

This legislation focuses specifically on this last element in the equation—the quality of the technology in our classrooms. Computers in and of themselves are amazing machines. But what is more powerful than their simple computing capacity is the connections students can make with them. From accessing the collection of museums and libraries to ''chatting'' with students from across the globe, computers have incredible potential to enrich our children's education. But in too many schools this potential goes unrealized because of outdated, inadequate or non-existent equipment and slow connections to the Internet.

Since the enactment and implementation of the e-rate, we have made substantial progress toward meeting our goal of connecting all schools and classrooms to the Internet. Since 1994, the percentage of schools with access to the Internet has more than doubled from 35 percent to 89 percent and the percentage of classrooms with access has risen from 3 percent to 51 percent. Gaps however remain. High income communities are more likely to have Internet access than low income schools with over 60 percent of classrooms in wealthier communities having Internet access compared to under 40 percent of low income classrooms.

Further limiting the benefit of the Internet and the World Wide Web is the actual capacity of a school's connection. Most schools are connected over regular telephone loans—although in many states even this is a problem. In my home state of Connecticut, four in five school districts report inadequate classroom access to telephone lines. And frankly, a regular telephone line just is not enough—trying to use the Internet with a regular telephone line can be frustratingly slow as data quickly overloads the capacity of these lines designed for telephones not computers. Students need access to high speed, large bandwidth capacity. Without these connections, it is like requiring our students to make their way only on the back roads rather than on the freeway.

High speed, large bandwidth connections, which are rare except in some of our nation's technological hubs, substantially increase the quality and capacity of Internet connections. The effect of these better connections is immediate—entering, searching and accessing the Web and the information it contains is faster and much more efficient. Much more important, in my view, is what this increased capacity will do for distance learning opportunities in our elementary and secondary schools. High speed, large bandwidth connections offer the potential of real-time, two-way video and audio interactions over the Net. This is where the promise of distance learning comes to fruition when students in a remote location or several remote locations participate in real time classroom activities.

This legislation will move us toward this promising goal. It will bring together leading experts in government to assess the capacity of our schools in this area, to explore the digital divide, to examine ways to better utilize this technology in schools and to report to Congress on how we can help schools meet these challenges.

Mr. President, this is an important first step if we are to make the promise of the Internet a reality for our children and schools. I ask that the bill be printed in the RECORD.

The bill follows:

S. 1876

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Science and Educational Networking Act''.

SEC. 2. REPORT TO CONGRESS.

Section 103 of the High-Performance Computing Act of 1991 (15 U.S.C. 5513) is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following new subsection:

''(b) REPORT TO CONGRESS.—

''(1) REQUIREMENT.—The Director of the National Science Foundation shall submit to Congress, not later than December 31, 2001, a report that addresses the issues described in paragraph (3) and includes recommendations to address the issues identified in the report.

''(2) CONSULTATION.—In preparing the report under paragraph (1), the Director of the National Science Foundation shall consult with the National Aeronautics and Space Administration, the National Institute of Standards and Technology, and such other Federal agencies and other education entities as the Director of the National Science Foundation considers appropriate.

''(3) ISSUES.—The report shall—

''(A) identify the current status of high-speed, large bandwidth capacity access to all public elementary and secondary schools and libraries in the United States;

''(B) identify how high-speed large bandwidth capacity access to the Internet to such schools and libraries can be effectively utilized within each school and library;

''(C) consider the effect that specific or regional circumstances may have on the ability of such institutions to acquire high-speed, large bandwidth capacity to achieve universal connectivity as an effective tool in the education process; and

''(D) include options and recommendations for the various entities responsible for elementary and secondary education to address the challenges and issues identified in the report.''.●

ADDITIONAL COSPONSORS

S. 71

At the request of Ms. SNOWE, the name of the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 71, a bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes.

S. 93

At the request of Mr. DOMENICI, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 93, a bill to improve and strengthen the budget process.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 631

At the request of Mr. DEWINE, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend

certain medicare secondary payer requirements.

S. 897

At the request of Mr. BAUCUS, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 897, a bill to provide matching grants for the construction, renovation and repair of school facilities in areas affected by Federal activities, and for other purposes.

S. 1158

At the request of Mr. HUTCHINSON, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 1158, a bill to allow the recovery of attorney's fees and costs by certain employers and labor organizations who are prevailing parties in proceedings brought against them by the National Labor Relations Board or by the Occupational Safety and Health Administration.

S. 1225

At the request of Ms. COLLINS, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1225, a bill to provide for a rural education initiative, and for other purposes.

S. 1327

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 1327, a bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

S. 1332

At the request of Mr. BAYH, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 1332, a bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community.

S. 1341

At the request of Mr. DORGAN, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1341, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of section 179 which permits the expensing of certain depreciable assets.

S. 1526

At the request of Mr. ROCKEFELLER, the names of the Senator from New Mexico (Mr. BINGAMAN), and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 1526, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities.

S. 1565

At the request of Mr. SARBANES, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1565, a bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes.

S. 1661

At the request of Mrs. HUTCHISON, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1661, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal law made as a result of a voluntary environmental audit shall not be subject to discovery or admitted into evidence during a judicial or administrative proceeding, and for other purposes.

S. 1693

At the request of Mr. GRAMS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1693, a bill to protect the Social Security surplus by requiring a sequester to eliminate any deficit.

S. 1714

At the request of Mr. WARNER, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1714, a bill to amend the Internal Revenue Code of 1986 to allow penalty-free distributions from qualified retirement plans of individuals residing in presidentially declared disaster areas.

S. 1800

At the request of Mr. GRAHAM, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1800, a bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes.

S. 1813

At the request of Mr. KENNEDY, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 1813, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

S. 1816

At the request of Mr. HAGEL, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1816, a bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as ''Arts Education Month.''

SENATE RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from Alabama (Mr. SHELBY), the Senator from Michigan (Mr. ABRAHAM), the Senator from Oklahoma (Mr. INHOFE), the Senator from New York (Mr. MOYNIHAN), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of Senate Resolution 196, a resolution commending the submarine force of the United States Navy on the 100th anniversary of the force.

SENATE CONCURRENT RESOLUTION 69—REQUESTING THAT THE UNITED STATES POSTAL SERVICE ISSUE A COMMEMORATIVE POSTAL STAMP HONORING THE 200TH ANNIVERSARY OF THE NAVAL SHIPYARD SYSTEM

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 69

Whereas in the year 2000, the United States naval shipyards will celebrate 200 years of service to the Nation;

Whereas naval technology has proven invaluable to the Nation by strengthening national defense, preserving world maritime freedom, and producing scientific breakthroughs;

Whereas in peacetime, ships built in United States naval shipyards patrol around the clock to preserve peace and keep the United States free;

Whereas Kittery, Portsmouth Naval Shipyard was the first major United States naval shipyard of the modern era;

Whereas on June 12, 2000, the Kittery, Portsmouth Naval Shipyard will celebrate the 200th anniversary of its founding;

Whereas since its inception at Kittery, Portsmouth, the United States naval shipyard system has grown to include 11 facilities located on both the Atlantic and Pacific coasts, and at Pearl Harbor, Hawaii;

Whereas since 1800, United States naval shipyards have built hundreds of naval ships, and completed thousands of overhauls on ships of both the United States Navy and those of many United States allies;

Whereas today, the United States Navy is the preeminent naval force in the world, and ships constructed in United States naval shipyards have helped lead the way to victory in numerous global conflicts; and

Whereas United States naval shipyard workers, both past and present, have a well-deserved sense of pride in their accomplishments, which have kept our Navy strong and our country free: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress requests that—

(1) the United States Postal Service issue a commemorative postage stamp in honor of the 200th anniversary of the founding of the United States naval shipyards; and

(2) the Citizens' Stamp Advisory Committee recommend to the Postmaster General that such a stamp be issued.

Ms. SNOWE. Mr. President, I rise today to submit a resolution expressing the sense of Congress that a commemorative postage stamp should be issued honoring the United States Naval Shipyards.

This legislation calls upon the United States Postal Service to issue a commemorative postage stamp honoring the legacy of our naval shipyard system on the occasion of its 200th anniversary, which will take place in the year 2000.

Mr. President, naval technology has proven invaluable to our nation by strengthening our national defense, preserving world maritime freedom, and producing significant scientific breakthroughs. In peacetime, ships built in naval shipyards patrol around the clock to preserve peace and keep the United States free. As Chair of the Senate Armed Services Subcommittee on Seapower, I am proud that, today, the U.S. Navy is the preeminent naval force in the world. Ships constructed in U.S. yards have helped lead the way to victory in numerous global conflicts.

Naval shipyards workers, both past and present, have a well-deserved sense of pride in their accomplishments which have kept our Navy strong and our country free. Likewise, veterans of the United States Naval Force have served with courage, honor and distinction, risking their lives in combat and against an unforgiving sea.

On June 12, 2000, the Kittery/Portsmouth Naval Shipyard in Maine will celebrate the 200th anniversary of its founding. Kittery/Portsmouth was the first major naval shipyard of the modern era. From the beginnings at Kittery/Portsmouth, the naval shipyard system grew to eventually include eleven yards located on both the Atlantic and Pacific coasts, and at Pearl Harbor, Hawaii. In the two hundred years since 1800, naval yards have built hundreds of naval ships, and completed thousands of overhauls on ships of both the U.S. Navy and those of U.S. allies.

I believe this resolution would be a fitting way to recognize the forthcoming bicentennial of our public shipyards. I strongly believe that the contributions of the hundreds of thousands of men and women who work in our shipyards are worthy of recognition.

Mr. President, I urge my colleagues to join me in this show of support for our shipyards.

SENATE CONCURRENT RESOLUTION 70—REQUESTING THAT THE UNITED STATES POSTAL SERVICE ISSUE A COMMEMORATIVE POSTAGE STAMP HONORING THE NATIONAL VETERANS SERVICE ORGANIZATIONS OF THE UNITED STATES

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 70

Whereas United States service personnel have fought, bled, and died in every war, conflict, police action, and military intervention in which the United States has engaged during this century and throughout the Nation's history;

Whereas throughout history, veterans service organizations have ably represented the interests of veterans in Congress and State legislatures across the Nation, and established networks of trained service officers who, at no charge, have helped millions of veterans and their families secure the education, disability compensation, and health care benefits they are rightfully entitled to receive as a result of the military service performed by those veterans; and

Whereas veterans service organizations have been deeply involved in countless local community service projects and have been constant reminders of the American ideals of duty, honor, and national service: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress requests that—

(1) the United States Postal Service issue a series of commemorative postage stamps honoring the legacy and the continuing contributions of veterans service organizations to the United States; and

(2) the Citizens' Stamp Advisory Committee recommend to the Postmaster General that such a series of commemorative postage stamps be issued.

● Ms. SNOWE. Mr. President, I rise today to submit a resolution expressing the sense of Congress that a series of commemorative postage stamps should be issued honoring veterans service organizations across the United States.

As we near Veterans Day—81 years after the Armistice was signed in France that silenced the guns and ended the carnage of World War I—this legislation calls upon the United States Postal Service to issue a series of commemorative postage stamps honoring the legacy and the continuing contributions of veterans to our country. World War I was supposed to be ''the war to end all wars'' * * * the war that made the world safe for democracy. Sadly, that was not to be, and America has been repeatedly reminded that the defense of democracy is an ongoing duty. That is why this is such an opportune moment to recognize those brave Americans who fought to defend the freedoms we cherish.

Mr. President, when many of us think about war veterans, we think about the tremendous sacrifices these defenders of freedom made. From the War for Independence, through the Persian Gulf War, Bosnia, and Kosovo—more than two hundred years later—Americans have answered their country's call to duty to safeguard our freedoms. Of those who have worn our nation's uniform, more than a million never returned. They made the ultimate sacrifice so that those who followed could enjoy the blessings of liberty. The debt of gratitude we owe to our veterans can never be fully repaid. What we can and must do for our veterans is to keep alive the values of freedom and democracy they have defended, and honor them as the guardians of those ideals.

Elmer Runyon once wrote that: ''We will remain the home of the free only as long as we are also the home of the brave''. Today, America and the world is basking in the shine of freedom because of yesterday's and today's service men and women—who offer nobly to sacrifice in war so that others may live in peace. These are America's true heroes.

After all, winning freedom is not the same as keeping it. The cost of safeguarding freedom is high. It requires vigilance and sacrifice. Time and again when freedom has been threatened, American men and women have emerged as heroes.

America's veterans have served our country and the world ably in times of need, and know well the personal sacrifices which the defense of freedom demands. It is a true honor to represent these brave Americans, as so many of them continue to make contributions day-in and day-out in our communities—through youth activities and scholarships programs, homeless assistance initiatives, efforts to reach out to fellow veterans in need, and national leadership on issues of importance to veterans and all Americans.

I have nothing but the utmost respect for those who have served their country. This legislation is a tribute to the men and women and their families who have served this country with courage, honor and distinction. They answered the call to duty when their country needed them, and this is but a small token of our appreciation.

I urge my colleagues to join me in this show of support and an expression of appreciation to all veterans.●

SENATE RESOLUTION 221—TO AUTHORIZE TESTIMONY AND DOCUMENT PRODUCTION IN THE MATTER OF PAMELA A. CARTER VERSUS HEALTHSOURCE SAGINAW

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 221

Whereas, in the case of In the Matter of Pamela A. Carter v. HealthSource Saginaw, No. 1199–3828, pending in the Michigan Department of Consumer and Industry Services, testimony has been requested from Mary Washington, an employee in Senator Carl Levin's Saginaw, Michigan office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That Mary Washington, and any other employee of the Senate from whom testimony or document production may be required, is authorized to testify and produce documents in the case of In the Matter of

Pamela A. Carter v. HealthSource Saginaw, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 222—TO REVISE THE PROCEDURES OF THE SELECT COMMITTEE ON ETHICS

Mr. SMITH of New Hampshire (for himself and Mr. REID) submitted the following resolution; which was considered and agreed to:

S. RES. 222

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the ''Senate Ethics Procedure Reform Resolution of 1999''.

SEC. 2. ESTABLISHMENT AND MEMBERSHIP OF THE SELECT COMMITTEE.

The first section of Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session)(referred to as the ''resolution'') is amended—

(1) in subsection (c), by amending paragraph (1) to read as follows:

''(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.'';

(2) in subsection (d), by amending paragraph (1) to read as follows:

''(1) A member of the Select Committee shall be ineligible to participate in—

''(A) any preliminary inquiry or adjudicatory review relating to—

''(i) the conduct of—

''(I) such member;

''(II) any officer or employee the member supervises; or

''(III) any employee of any officer the member supervises; or

''(ii) any complaint filed by the member; and

''(B) the determinations and recommendations of the Select Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.'';

(3) in subsection (d)(2), by amending the first sentence to read as follows: ''A member of the Select Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Select Committee and the determinations and recommendations of the Select Committee with respect to any such preliminary inquiry or adjudicatory review.''; and

(4) in subsection (d), by amending paragraph (3) to read as follows:

''(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review or disqualifies himself or herself under paragraph (2) from participating in any preliminary inquiry or adjudicatory review, another Senator shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Select Committee with respect to such preliminary inquiry or adjudicatory review. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself or herself.''.

SEC. 3. DUTIES OF THE SELECT COMMITTEE.

Section 2 of the resolution is amended—

(1) in subsection (a), by striking paragraphs (2), (3), and (4) and inserting the following:

''(2)(A) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action to be taken with respect to such violations which the Select Committee shall determine, after according to the individual concerned due notice and opportunity for a hearing, to have occurred;

''(B) pursuant to subparagraph (A) recommend discipline, including—

''(i) in the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these; and

''(ii) in the case of an officer or employee, dismissal, suspension, payment of restitution, or a combination of these;

''(3) subject to the provisions of subsection (e), by a unanimous vote of 6 members, order that a Member, officer, or employee be reprimanded or pay restitution, or both, if the Select Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate;

''(4) in the circumstances described in subsection (d)(3), issue a public or private letter of admonition to a Member, officer, or employee, which shall not be subject to appeal to the Senate;

''(5) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities;

''(6) by a majority vote of the full committee, report violations of any law, including the provision of false information to the Select Committee, to the proper Federal and State authorities; and

''(7) develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.'';

(2) by amending subsection (b) to read as follows:

''(b) For the purposes of this resolution—

''(1) the term 'sworn complaint' means a written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate;

''(2) the term 'preliminary inquiry' means a proceeding undertaken by the Select Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred; and

''(3) the term 'adjudicatory review' means a proceeding undertaken by the Select Committee after a finding, on the basis of a preliminary inquiry, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.'';

(3) in subsection (c), by amending paragraph (1) to read as follows:

''(1) No—

''(A) adjudicatory review of conduct of a Member or officer of the Senate may be conducted;

''(B) report, resolution, or recommendation relating to such an adjudicatory review of conduct may be made; and

''(C) letter of admonition pursuant to subsection (d)(3) may be issued,

unless approved by the affirmative recorded vote of no fewer than 4 members of the Select Committee.'';

(4) by amending subsection (d) to read as follows:

''(d)(1) When the Select Committee receives a sworn complaint or other allegation or information about a Member, officer, or employee of the Senate, it shall promptly conduct a preliminary inquiry into matters raised by that complaint, allegation, or information. The preliminary inquiry shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred. The Select Committee may delegate to the chairman and vice chairman the discretion to determine the appropriate duration, scope, and conduct of a preliminary inquiry.

''(2) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall dismiss the matter. The Select Committee may delegate to the chairman and vice chairman the authority, on behalf of the Select Committee, to dismiss any matter that they determine, after a preliminary inquiry, lacks substantial merit. The Select Committee shall inform the individual who provided to the Select Committee the complaint, allegation, or information, and the individual who is the subject of the complaint, allegation, or information, of the dismissal, together with an explanation of the basis for the dismissal.

''(3) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines that a violation is inadvertent, technical, or otherwise of a de minimis nature, the Select Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline. The Select Committee may issue a public letter of admonition upon a similar determination at the conclusion of an adjudicatory review.

''(4) If, as the result of a preliminary inquiry under paragraph (1), the Select Committee determines that there is such substantial credible evidence and the matter cannot be appropriately disposed of under paragraph (3), the Select Committee shall promptly initiate an adjudicatory review. Upon the conclusion of such adjudicatory review, the Select Committee shall report to the Senate, as soon as practicable, the results of such adjudicatory review, together with its recommendations (if any) pursuant to subsection (a)(2).'';

(5) by amending subsection (e) to read as follows:

''(e)(1) Any individual who is the subject of a reprimand or order of restitution, or both,

pursuant to subsection (a)(3) may, within 30 days of the Select Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the basis for the appeal to the Select Committee and the presiding officer of the Senate. The presiding officer of the Senate shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

''(2) A motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Select Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.'';

(6) by amending subsection (g) to read as follows:

''(g) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.''; and

(7) by amending subsection (h) to read as follows:

''(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting preliminary inquiries and adjudicatory reviews.''.

SEC. 4. AUTHORITY OF THE SELECT COMMITTEE.

Section 3 of the resolution is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

''(2) Any adjudicatory review as defined in section 2(b)(3) shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel.''; and

(2) by amending subsection (d) to read as follows:

''(d)(1) Subpoenas may be authorized by—

''(A) the Select Committee; or

''(B) the chairman and vice chairman, acting jointly.

''(2) Any such subpoena shall be issued and signed by the chairman and the vice chairman and may be served by any person designated by the chairman and vice chairman.

''(3) The chairman or any member of the Select Committee may administer oaths to witnesses.''.

SEC. 5. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by this resolution shall take effect on the date this resolution is agreed to, except that the amendments shall not apply with respect to further proceedings in any preliminary inquiry, initial review, or investigation commenced before that date under Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session).

AMENDMENTS SUBMITTED

THE BANKRUPTCY REFORM ACT OF 1999

GRASSLEY (AND FEINSTEIN) AMENDMENT NO. 2514

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill (S. 625) to amend title 11, United States Code, and for other purposes; as follows:

Insert at the appropriate place:

Section 362(b)(18) of title 11, United States Code, is amended to read as follows:

(18) under subsection (a) of the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the filing of the petition.

GRASSLEY (AND TORRICELLI) AMENDMENT NO. 2515

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mr. TORRICELLI) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 6, line 12, insert ''11 or'' after ''chapter''.

On page 6, line 24, insert ''11 or'' after ''chapter''.

On page 12, lines 21 and 22, strike ''was not substantially justified'' and insert ''was frivolous''.

On page 14, strike lines 8 through 14 and insert the following:

''(C)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion under section 707(b)(2) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis of a household of equal size.

''(ii) For a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.''.

On page 14, in the matter between lines 18 and 19, insert ''11 or'' after ''chapter''.

On page 14, after the matter between lines 18 and 19, insert the following:

SEC. 103. FINDINGS AND STUDY.

(a) FINDINGS.—Congress finds that the Secretary of the Treasury has the inherent authority to alter the Internal Revenue Service standards established to set guidelines for repayment plans as needed to accommodate their use under section 707(b) of title 11, United States Code.

(b) STUDY.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Director of the Executive Office of United States Trustees, shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing the findings of the Secretary concerning the utilization of Internal Revenue Service standards for determining—

(A) the current monthly expenses of a debtor under section 707(b) of title 11, United States Code; and

(B) the impact that the application of those standards has had on debtors and on the bankruptcy courts.

(2) RECOMMENDATION.—The report under paragraph (1) may include recommendations for amendments to title 11, United States Code, that are consistent with the findings of the Secretary of the Treasury under paragraph (1).

On page 14, line 19, strike ''103'' and insert ''104''.

On page 15, line 12, strike ''104'' and insert ''105''.

On page 15, lines 9 and 10, strike ''credit counseling service'' and insert ''nonprofit budget and credit counseling agency''.

On page 17, line 19, strike ''105'' and insert ''106''.

On page 18, lines 3 and 4, strike ''credit counseling service'' and insert ''budget and credit counseling agency''.

On page 18, line 5, insert ''(including a briefing conducted by telephone)'' after ''briefing''.

On page 18, line 12, strike ''credit counseling services'' and insert ''budget and credit counseling agency''.

On page 18, line 12, strike ''are'' and insert ''is''.

On page 18, line 15, strike ''those programs'' and insert ''that agency''.

On page 18, line 21, insert after the period the following: ''Notwithstanding the preceding sentence, a nonprofit budget and credit counseling service may be disapproved by the United States trustee or bankruptcy administrator at any time.''.

On page 19, lines 4 and 5, strike ''credit counseling service'' and insert ''budget and credit counseling agency''.

On page 21, lines 6 and 7, strike ''credit counseling service'' and insert ''approved nonprofit budget and credit counseling agency''.

On page 21, lines 10 and 11, strike ''credit counseling service'' and insert ''approved nonprofit budget and credit counseling agency''.

On page 21, line 16, strike ''**Credit counseling services**'' and insert ''**Nonprofit budget and credit counseling agencies**''.

On page 21, line 19, strike ''credit counseling services'' and insert ''nonprofit budget and credit counseling agencies''.

On page 21, line 25, strike the quotation marks and the final period.

On page 21, after line 25, insert the following:

''(b) For inclusion on the approved list under subsection (a), the United States trustee or bankruptcy administrator shall require the credit counseling service, at a minimum—

''(1) to be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

''(A) are not employed by the agency; and

''(B) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

''(2) if a fee is charged for counseling services, to charge a reasonable fee, and to provide services without regard to ability to pay the fee;

''(3) to provide for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

''(4) to provide full disclosures to clients, including funding sources, counselor qualifications, and possible impact on credit reports;

''(5) to provide adequate counseling with respect to client credit problems that includes an analysis of their current situation, what brought them to that financial status, and how they can develop a plan to handle the problem without incurring negative amortization of their debts; and

''(6) to provide trained counselors who receive no commissions or bonuses based on the counseling session outcome.

''(c)(1) In this subsection, the term 'credit counseling service'—

''(A) means—

''(i) a nonprofit credit counseling service approved under subsection (a); and

''(ii) any other consumer education program carried out by—

''(I) a trustee appointed under chapter 13; or

''(II) any other public or private entity or individual; and

''(B) does not include any counseling service provided by the attorney of the debtor or an agent of the debtor.

''(2)(A) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

''(B) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

''(i) any actual damages sustained by the debtor as a result of the violation; and

''(ii) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.''.

On page 22, strike the matter between lines 3 and 4, and insert the following:

''111. Nonprofit budget and credit counseling agencies; financial management instructional courses.''.

On page 30, line 11, insert '', including interest that accrues on that debt as provided under applicable nonbankruptcy law notwithstanding any other provision of this title,'' after ''under this title''.

On page 30, lines 14 and 15, strike ''or legal guardian; or'' and insert '', legal guardian, or responsible relative; or''.

On page 30, line 21, strike ''or legal guardian''.

On page 31, line 10, strike ''or legal guardian'' and insert '', legal guardian, or responsible relative''.

On page 32, line 9, strike all through line 3 on page 33 and insert the following:

''(1) First:

''(A) Allowed unsecured claims for domestic support obligations that, as of the date of the filing of the petition, are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such child, without regard to whether the claim is filed by such person or is filed by a governmental unit on behalf of that person, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition shall be applied and distributed in accordance with applicable nonbankruptcy law.

''(B) Subject to claims under subparagraph (A), allowed unsecured claims for domestic support obligations that, as of the date the petition was filed are assigned by a spouse, former spouse, child of the debtor, or such child's parent, legal guardian, or responsible relative to a governmental unit (unless such obligation is assigned voluntarily by the spouse, former spouse, child, parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt) or are owed directly to or recoverable by a government unit under applicable nonbankruptcy law, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition be applied and distributed in accordance with applicable nonbankruptcy law.''.

On page 33, line 4, strike all through page 37, line 6 and insert the following:

SEC. 213. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.'';

(2) in section 1208(c)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(10) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.'';

(3) in section 1222(a)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period, beginning on the date that the first payment is due under the plan, will be applied to make payments under the plan.'';

(4) in section 1222(b)—

(A) by redesignating paragraph (10) as paragraph (11); and

(B) by inserting after paragraph (9) the following:

''(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims;'';

(5) in section 1225(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that first become payable after the date on which the petition is filed.'';

(6) in section 1228(a), in the matter preceding paragraph (1), by inserting '', and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid'' after ''completion by the debtor of all payments under the plan'';

(7) in section 1307(c)—

(A) in paragraph (9), by striking ''or'' at the end;

(B) in paragraph (10), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(11) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.'';

(8) in section 1322(a)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding in the end the following:

''(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period beginning on the date that the first payment is due under the plan will be applied to make payments under the plan.'';

(9) in section 1322(b)—

(A) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(B) by redesignating paragraph (10) as paragraph (11); and

(C) inserting after paragraph (9) the following:

''(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims; and'';

(10) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid amounts payable after the date on which the petition is filed.''; and

(11) in section 1328(a), in the matter preceding paragraph (1), by inserting '', and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid'' after ''completion by the debtor of all payments under the plan''.

On page 37, strike lines 10 and 11 and insert ''amended by striking paragraph (2) and inserting the''.

On page 37, lines 14 and 15, strike ''of an action or proceeding for—'' and insert ''or continuation of a civil action or proceeding—''.

On page 37, line 16, insert ''for'' after ''(i)''.

On page 37, line 19, insert ''for'' after ''(ii)''.

On page 37, line 21, strike ''or''.

On page 37, between lines 21 and 22, insert the following:

''(iii) concerning child custody or visitation;

''(iv) for the dissolution of a marriage except to the extent that such a proceeding seeks to determine the division of property which is property of the estate; or

''(v) regarding domestic violence;

On page 37, line 24, strike the quotation marks and second semicolon.

On page 37, after line 24, add the following:

''(C) with respect to the withholding of income that is property of the estate or property of the debtor for payment of a domestic support obligation pursuant to a judicial or administrative order;

''(D) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational

licenses under State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16));

''(E) the reporting of overdue support owed by a parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

''(F) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)) or under an analogous State law; or

''(G) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).'';

On page 38, line 12, strike all through page 39, line 25.

On page 40, between lines 13 and 14, insert the following:

(i) by inserting ''to a spouse, former spouse, or child of the debtor and'' before ''not of the kind'';

On page 40, line 14, strike ''(i)'' and insert ''(ii)''.

On page 40, line 16, strike ''(ii)'' and insert ''(iii)''.

On page 40, insert between lines 18 and 19 the following:

(C) by striking paragraph (18); and

On page 41, line 4, strike ''(5)'' and insert ''(4)''.

On page 41, line 7, strike ''(5)'' and insert ''(4)''.

On page 41, line 12, strike ''(5)'' and insert ''(4)''.

On page 43, strike lines 16 through 20 and insert the following: Section 1225(b)(2)(A) of title 11, United States Code, is amended by inserting ''or for a domestic support obligation that first becomes payable after the date on which the petition is filed'' after ''dependent of the debtor''.

On page 43, strike line 22 through page 44, line 2, and insert the following:

Section 1325(b)(2)(A) of title 11, United States Code, is amended by inserting ''or for a domestic support obligation that first becomes payable after the date on which the petition is filed'' after ''dependent of the debtor''.

On page 44, line 14, strike ''for support'' through line 16, and insert ''for a domestic support obligation,''.

On page 45, line 23, strike ''and''.

On page 45, between lines 23 and 24, insert the following:

''(III) the last recent known name and address of the debtor's employer; and

On page 45, line 24, strike ''(III)'' and insert ''(IV)''.

On page 46, strike lines 6 through 11 and insert the following:

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 46, line 19, strike ''(b)'' and insert ''(a)''.

On page 46, line 20, strike ''(5)'' and insert ''(6)''.

On page 46, line 22, strike ''(6)'' and insert ''(7)''.

On page 47, strike lines 1 through 6 and insert the following:

''(8) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c).''; and

On page 47, line 8, strike ''(b)(7)'' and insert ''(a)(7)''.

On page 48, line 7, strike ''and''.

On page 48, insert between lines 7 and 8 the following:

''(III) the last recent known name and address of the debtor's employer; and''

On page 48, line 8, strike ''(III)'' and insert ''(IV)''.

On page 48, line 11, strike ''(4), or (14A)'' and insert ''(3), or (14)''.

On page 48, strike lines 15 through 20 and insert the following:

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 49, strike lines 9 through 14 and insert the following:

''(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c).''; and

On page 50, line 16, strike ''and''.

On page 50, insert between lines 16 and 17 the following:

''(III) the last recent known name and address of the debtor's employer; and''.

On page 50, line 17, strike ''(III)'' and insert ''(IV)''.

On page 50, line 20, strike ''(4), or (14A)'' and insert ''(3), or (14)''.

On page 50, strike line 24 and all that follows through page 51, line 4 and insert the following:

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 51, strike lines 19 through 24 and insert the following:

''(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (d).''; and

On page 52, line 24, strike ''and''.

On page 52, after line 24, add the following:

''(III) the last recent known name and address of the debtor's employer; and''.

On page 53, line 1, strike ''(III)'' and insert ''(IV)''.

On page 53, line 4, strike ''(4), or (14A)'' and insert ''(3), or (14)''.

On page 53, strike lines 8 through 12 and insert the following:

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

On page 76, line 15, strike ''523(a)(9)'' and insert ''523(a)(8)''.

On page 82, strike lines 4 through 9 and insert ''title 11, United States Code, is amended by adding at the end the following:''.

On page 82, line 10, strike ''(19)'' and insert ''(18)''.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) by redesignating paragraph (6) as paragraph (8); and

(B) by inserting after paragraph (5) the following:

''(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or''; and

(2) by adding at the end the following:

''(g) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

''(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

On page 91, between lines 18 and 19, insert the following:

(c) MODIFICATION OF A RESTRICTION RELATING TO WAIVERS.—Section 522(e) of title 11, United States Code, is amended—

(1) in the first sentence, by striking ''subsection (b) of this section'' and inserting ''subsection (b), other than under paragraph (3)(C) of that subsection''; and

(2) in the second sentence—

(A) by inserting ''(other than property described in subsection (b)(3)(C))'' after ''property'' each place it appears; and

(B) by inserting ''(other than a transfer of property described in subsection (b)(3)(C))'' after ''transfer'' each place it appears.

On page 91, line 23, strike ''105(d)'' and insert ''106(d)''.

On page 92, line 17, strike ''(C)'' and insert ''(D)''.

On page 92, line 18, strike ''(b)'' and insert ''(c)''.

On page 94, line 25, strike ''105(d)'' and insert ''106(d)''.

On page 95, line 16, strike ''(c)'' and insert ''(d)''.

On page 109, line 13, strike ''by adding at the end'' and insert ''by inserting after subsection (e)''.

On page 111, line 18, insert ''(a) IN GENERAL.—'' before ''Section''.

On page 112, line 14, insert a dash after the period.

On page 112, line 19, strike ''(4)'' and insert ''(3)''.

On page 112, line 20, strike ''(3)(B), (5), (8), or (9) of section 523(a)'' and insert ''(4), (7), or (8) of section 523(a)''.

On page 116, line 16, strike ''(d)(1)'' and insert ''(e)(1)''.

On page 117, line 5, strike ''(e)'' and insert ''(f)''.

On page 118, line 1, strike ''(A) beginning'' and insert the following:

''(A) beginning''.

On page 118, line 5, strike ''(B) thereafter,'' and insert the following:

''(B) thereafter,''.

On page 118, line 8, strike ''(f)(1)'' and insert ''(g)(1)''.

On page 118, strike line 23 and insert the following: ''subsection (h)''.

On page 118, line 24, strike ''(g)(1)'' and insert ''(h)(1)''.

On page 119, line 21, strike ''(h)'' and insert ''(*i*)''.

On page 120, line 11, strike ''(*i*)'' and insert ''(j)''.

On page 124, strike lines 7 through 14 and insert the following:

SEC. 321. CHAPTER 11 CASES FILED BY INDIVIDUALS.

(a) PROPERTY OF THE ESTATE.—

(1) IN GENERAL.—Subchapter I of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

''§ 1115. Property of the estate

''In a case concerning an individual, property of the estate includes, in addition to the property specified in section 541—

''(1) all property of the kind specified in section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first; and

''(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

''1115. Property of the estate.''.

(b) CONTENTS OF PLAN.—Section 1123(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(8) in a case concerning an individual, provide for the payment to creditors through the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.''.

(c) CONFIRMATION OF PLAN.—

(1) REQUIREMENTS RELATING TO VALUE OF PROPERTY.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

''(14) In a case concerning an individual in which the holder of an allowed unsecured claim objects to the confirmation of the plan—

''(A) the value of the property to be distributed under the plan on account of such claim is, as of the effective date of the plan, not less than the amount of such claim; or

''(B) the value of the property to be distributed under the plan is not less than the debtor's projected disposable income (as that term is defined in section 1325(b)(2)) to be received during the 3-year period beginning on the date that the first payment is due under the plan, or during the term of the plan, whichever is longer.''.

(2) REQUIREMENT RELATING TO INTERESTS IN PROPERTY.—Section 1129(b)(2)(B)(ii) of title 11, United States Code, is amended by inserting before the period at the end the following: '', except that in a case concerning an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14)''.

(d) EFFECT OF CONFIRMATION—Section 1141(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''The confirmation of a plan does not discharge an individual debtor'' and inserting ''A discharge under this chapter does not discharge a debtor''; and

(2) by adding at the end the following:

''(5) In a case concerning an individual—

''(A) except as otherwise ordered for cause shown, the discharge is not effective until completion of all payment under the plan; and

''(B) at any time after the confirmation of the plan and after notice and a hearing, the court may grant a discharge to a debtor that has not completed payments under the plan only if—

''(i) for each allowed unsecured claim, the value as of the effective date of the plan, of property actually distributed under the plan on account of that claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

''(ii) modification of the plan under 1127 of this title is not practicable.''.

(e) MODIFICATION OF PLAN.—Section 1127 of title 11, United States Code, is amended by adding at the end the following:

''(e) In a case concerning an individual, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan has been substantially consummated, upon request of the debtor, the trustee, the United States trustee, or the holder of an allowed unsecured claim, to—

''(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

''(2) extend or reduce the time period for such payments; or

''(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

''(f)(1) Sections 1121 through 1128 of this title and the requirements of section 1129 of this title apply to any modification under subsection (a).

''(2) The plan, as modified, shall become the plan only after there has been disclosure under section 1125, as the court may direct, notice and a hearing, and such modification is approved.''.

Beginning on page 135, strike line 19 and all that follows through page 136, line 2, and insert the following:

SEC. 406. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

(a) APPOINTMENT.—Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders. The court may increase the number of members of a committee to include a creditor that is a small business concern (as described in section 3(a)(1) of the Small Business Act (15 U.S.C. 632(a)(1))), if the court determines that the creditor holds claims (of the kind represented by the committee) the aggregate amount of which, in comparison to the annual gross revenue of that creditor, is disproportionately large.''.

(b) INFORMATION.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) A committee appointed under subsection (a) shall—

''(A) provide access to information for creditors who—

''(i) hold claims of the kind represented by that committee; and

''(ii) are not appointed to the committee;

''(B) solicit and receive comments from the creditors described in subparagraph (A); and

''(C) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).''.

On page 145, between lines 15 and 16, insert the following:

SEC. 420. MORE COMPLETE INFORMATION REGARDING ASSETS OF THE ESTATE.

(a) IN GENERAL.—

(1) DISCLOSURE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States, after consideration of the views of the Director of the Executive Office for the United States Trustees, shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms directing debtors under chapter 11 of title 11, United States Code, to disclose the information described in paragraph (2) by filing and serving periodic financial and other reports designed to provide such information.

(2) INFORMATION.—The information referred to in paragraph (1) is the value, operations, and profitability of any closely held corporation, partnership, or of any other entity in which the debtor holds a substantial or controlling interest.

(b) PURPOSE.—The purpose of the rules and reports under subsection (a) shall be to assist parties in interest taking steps to ensure that the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.

On page 147, line 15, strike ''title)'' and insert ''title and excluding a person whose primary activity is the business of owning and operating real property and activities incidental thereto)''.

On page 150, line 14, insert ''and other required government filings'' after ''returns''.

On page 150, line 19, insert ''and other required government filings'' after ''returns''.

On page 152, strike lines 19 through 21 and insert the following:

(a) DUTIES IN CHAPTER 11 CASES.—Subchapter I of title 11, United States Code, as amended by section 321 of this Act, is amended by adding at the end the following:

On page 153, line 1, strike ''1115'' and insert ''1116''.

On page 153, line 7, strike ''3'' and insert ''7''.

On page 154, line 9, strike the semicolon and insert ''and other required government filings; and''.

On page 154, strike lines 14 through 25.

On page 155, strike line 7 and all that follows through the matter between lines 9 and 10 and insert the following:

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

''1116. Duties of trustee or debtor in possession in small business cases.

On page 156, line 19, strike ''150'' and insert ''175''.

On page 156, line 20, strike ''150-day'' and insert ''175-day''.

On page 162, strike lines 14 through 20 and insert the following:

''(A) a plan with a reasonable possibility of being confirmed will be filed within a reasonable period of time; and

On page 162, line 21, strike ''reason is'' and insert ''grounds include''.

On page 162, line 22, strike ''that''.

On page 162, line 23, insert ''for which'' before ''there exists''.

On page 163, line 1, strike ''(ii)(I)'' and insert ''(ii)''.

On page 163, line 1, strike ''that act or omission'' and insert ''which''.

On page 163, line 3, strike '', but not'' and all that follows through line 8 and insert a period.

On page 163, line 22, insert after ''failure to maintain appropriate insurance'' the following: ''that poses a risk to the estate or to the public''.

On page 164, line 3, insert ''repeated'' before ''failure''.

On page 165, line 2, strike ''and''.

On page 165, line 3, insert ''confirmed'' before ''plan''.

On page 165, line 4, strike the period and insert ''; and''.

On page 165, between lines 4 and 5, insert the following:

''(P) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.

On page 165, line 23, insert ''or an examiner'' after ''trustee''.

On page 167, after line 21, insert the following:

SEC. 435. TECHNICAL CORRECTION.

Section 365(b)(2)(D) of title 11, United States Code, is amended by striking ''penalty rate or provision'' and inserting ''penalty rate or penalty provision''.

On page 183, line 20, strike all through line 13 on page 187.

On page 187, line 14, strike ''703'' and insert ''702''.

On page 187, line 20, strike ''704'' and insert ''703''.

On page 189, line 9, strike ''705'' and insert ''704''.

On page 190, line 13, strike ''706'' and insert ''705''.

On page 190, line 17, strike ''707'' and insert ''706''.

On page 190, line 22, strike ''708'' and insert ''707''.

On page 191, line 8, strike ''709'' and insert ''708''.

On page 192, line 3, strike ''710'' and insert ''709''.

On page 193, line 13, strike ''711'' and insert ''710''.

On page 193, line 21, strike ''712'' and insert ''711''.

On page 196, line 1, strike ''713'' and insert ''712''.

On page 196, line 11, strike ''714'' and insert ''713''.

On page 197, line 12, strike ''715'' and insert ''714''.

On page 197, line 15, strike ''703'' and insert ''702''.

On page 197, line 18, strike ''716'' and insert ''715''.

On page 201, line 3, insert a semicolon after ''following''.

On page 202, line 4, strike ''717'' and insert ''716''.

On page 202, line 18, strike ''718'' and insert ''717''.

On page 248, line 15, strike ''718'' and insert ''717''.

On page 266, line 13, insert ''**AND FAMILY FISHERMEN**'' after ''**FARMERS**''.

On page 268, insert between lines 16 and 17 the following:

SEC. 1005. FAMILY FISHERMEN.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

''(7A) 'commercial fishing operation' includes—

''(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products; and

''(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A);'';

''(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;'';

(2) by inserting after paragraph (19) the following:

''(19A) 'family fisherman' means—

''(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquiculture for purposes of chapter 12)—

''(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

''(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

''(B) a corporation or partnership—

''(i) in which more than 50 percent of the outstanding stock or equity is held by—

''(I) 1 family that conducts the commercial fishing operation; or

''(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

''(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

''(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

''(III) if such corporation issues stock, such stock is not publicly traded;''; and

(3) by inserting after paragraph (19A) the following:

''(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;''.

(b) WHO MAY BE A DEBTOR.—Section 109(f) of title 11, United States Code, is amended by inserting ''or family fisherman'' after ''family farmer''.

(c) CHAPTER 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting ''**OR FISHERMAN**'' after ''**FAMILY FARMER**'';

(2) in section 1201, by adding at the end the following:

''(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

''(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.'';

(3) in section 1203, by inserting ''or commercial fishing operation'' after ''farm'';

(4) in section 1206, by striking ''if the property is farmland or farm equipment'' and inserting ''if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)''; and

(5) by adding at the end the following:

''§ 1232. Additional provisions relating to family fishermen

''(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

''(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

''(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

''(b) A lien described in this subsection is—

''(1) a maritime lien under subchapter III of chapter 313 of title 46, United States Code, without regard to whether that lien is recorded under section 31343 of title 46, United States Code; or

''(2) a lien under applicable State law (or the law of a political subdivision thereof).

''(c) Subsection (a) shall not apply to—

''(1) a claim made by a member of a crew or a seaman including a claim made for—

''(A) wages, maintenance, or cure; or

''(B) personal injury; or

''(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46, United States Code.

''(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.''.

(d) CLERICAL AMENDMENTS.—

(1) TABLE OF CHAPTERS.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

''12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income ..... 1201''.

(2) TABLE OF SECTIONS.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

''1232. Additional provisions relating to family fishermen.''.

On page 277, line 22, insert ''(a) IN GENERAL.—'' before ''Section''.

On page 279, between lines 12 and 13, insert the following:

(b) DEBT.—Section 803(5) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(5)) is amended to read as follows:

''(5) The term 'debt' means any obligation or alleged obligation of a consumer to pay money arising out of a transaction involving an offer of credit, as defined in section 103(e) of the Truth in Lending Act (15 U.S.C. 1602(e)), in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household, purposes, whether or not such obligation has been reduced to judgment.''.

On page 281, line 21, strike ''714'' and insert ''713''.

Beginning on page 292, strike line 10 and all that follows through page 294, line 11.

On page 294, insert between lines 11 and 12 the following:

SEC. 322. UNITED STATES TRUSTEE PROGRAM FILING FEE INCREASE.

(a) ACTIONS UNDER CHAPTER 7 OR 13 OF TITLE 11, UNITED STATES CODE.—Section 1930(a) of title 28, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) For a case commenced—

''(A) under chapter 7 of title 11, $160; or

''(B) under chapter 13 of title 11, $150.''.

(b) UNITED STATES TRUSTEE SYSTEM FUND.—Section 589a(b) of title 28, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1)(A) 46.88 percent of the fees collected under section 1930(a)(1)(A) of this title in cases commenced under chapter 7 of title 11; and

''(B) 73.33 percent of the fees collected under section 1930(a)(1)(B) of this title in cases commenced under chapter 13 of title 11;'';

(2) in paragraph (2) by striking ''one-half'' and inserting ''three-fourths''; and

(3) in paragraph (4) by striking ''one-half'' and inserting ''100 percent''.

(c) COLLECTION AND DEPOSIT OF MISCELLANEOUS BANKRUPTCY FEES.—Section 406(b) of the Judiciary Appropriations Act, 1990 (28 U.S.C. 1931 note) is amended by striking ''pursuant to 28 U.S.C. section 1930(b) and 30.76 per centum of the fees hereafter collected under 28 U.S.C. section 1930(a)(1) and 25 percent of the fees hereafter collected under 28 U.S.C. section 1930(a)(3) shall be deposited as offsetting receipts to the fund established under 28 U.S.C. section 1931'' and inserting ''under section 1930(b) of title 28, United States Code, and 25 percent of the fees collected under section 1930(a)(1)(A) of that title, 26.67 percent of the fees collected under section 1930(a)(1)(B) of that title, and 25 percent of the fees collected under section 1930(a)(3) of that title shall be deposited as offsetting receipts to the fund established under section 1931 of that title''.

(d) RIGHTS AND POWERS OF THE TRUSTEE.—Section 546(c) of title 11, United States Code, is amended to read as follows:

''(c)(1) Except as provided in subsection (d) of this section, and except as provided in subsection (c) of section 507, the rights and powers of the trustee under sections 544(a), 545, 547, and 549 are subject to the right of a seller of goods that has sold goods to the debtor, in the ordinary course of the business of the seller, to reclaim such goods if the debtor has received such goods within 45 days prior to the commencement of a case under this title, but such seller may not reclaim any such goods unless the seller demands in writing the reclamation of such goods—

''(A) before 45 days after the date of receipt of such goods by the debtor; or

''(B) if such 45-day period expires after the commencement of the case, before 20 days after the date of commencement of the case.

''(2) Notwithstanding the failure of the seller to provide notice in a manner consistent with this subsection, the seller shall be entitled to assert the rights established in section 503(b)(7) of this title.''.

(e) ADMINISTRATIVE EXPENSES.—Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) the invoice price of any goods received by the debtor within 20 days of the date of filing of a case under this title where the goods have been sold to the debtor in the ordinary course of such seller's business.''.

KOHL (AND OTHERS) AMENDMENT NO. 2516

Mr. KOHL (for himself, Mr. SESSIONS, and Mr. GRASSLEY) proposed an amendment to the bill, S. 625, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. LIMITATION.

Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

(2) by adding at the end the following:

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.''.

SARBANES AMENDMENT NO. 2517

(Ordered to lie on the table.)

Mr. SARBANES submitted an amendment to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

TITLE ____—CONSUMER CREDIT DISCLOSURES

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Consumer Credit Act of 1999''.

SEC. ____02. ENHANCED DISCLOSURES UNDER AN OPEN END CONSUMER CREDIT PLAN.

(a) REPAYMENT TERMS.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

''(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

''(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

''(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.''.

(b) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(b)(11) of the Truth in Lending Act, as added by this section.

SEC. ____03. CREDIT CARD SECURITY INTERESTS UNDER AN OPEN END CONSUMER CREDIT PLAN.

(a) IN GENERAL.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) SECURITY INTERESTS CREATED UNDER AN OPEN END CONSUMER CREDIT PLAN.—During the period of an open end consumer credit plan, if the creditor of that plan obtains a security interest in personal property purchased using that credit plan, the creditor shall provide to the consumer, at the time of purchase, a written statement setting forth in a clear, conspicuous, and easy to read format the following information:

''(1) The property in which the creditor will receive a security interest.

''(2) The nature of the security interest taken.

''(3) The method or methods of enforcement of that security interest available to the creditor in the event of nonpayment of the plan balance.

''(4) The method in which payments made on the credit plan balance will be credited against the security interest taken on the property.

''(5) The following statement: 'This property is subject to a security agreement. You must not dispose of the property purchased in any way, including by gift, until the balance on this account is fully paid.' ''.

(b) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(h) of the Truth in Lending Act, as added by this section.

SEC. ____04. STATISTICS TO BE REPORTED TO BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM AND TO CONGRESS.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(i) REPORTS TO THE BOARD AND TO CONGRESS.—

''(1) REPORTS TO THE BOARD.—Any creditor making advances under an open end credit plan shall, using model forms developed and published by the Board, annually submit to the Board a report, which shall include—

''(A) the total number of open end credit plan solicitations made to consumers;

''(B) the total amount of credit (in dollars) offered to consumers;

''(C) a statement of the average interest rates offered to all borrowers in each of the previous 2 years;

''(D) the total amount of credit granted and the average interest rate granted to persons under the age of 25; and

''(E) the total amount of debt written off voluntarily and due to a bankruptcy discharge in each of the 2 years preceding the date on which the report is submitted.

''(2) REPORTS TO CONGRESS.—The Board shall annually compile the information collected under paragraph (1) and submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Banking and Financial Services of the House of Representatives, a report, which shall include—

''(A) aggregate data described subparagraphs (A) through (E) of paragraph (1) for all creditors; and

''(B) individual data described in paragraph (1)(A) for each of the top 50 creditors.''.

SEC. ___05. CIVIL LIABILITY.

Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: ''In connection with the disclosures referred to in subsections (a), (b), and (h) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or section 127(h), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or section 127(h).''.

SEC. ___06. TREATMENT UNDER BANKRUPTCY LAW.

(a) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, is amended by adding at the end the following: ''The exception under subparagraphs (A) and (C) of paragraph (2) shall not apply to any claim made by a creditor who has failed to make the disclosures required under section 127(h) of the Truth in Lending Act in connection with such claim, unless a creditor required to make such disclosures files with the court, within 90 days of the date of order for relief, a proof of claim accompanied by a copy of such disclosures that is signed and dated by the debtor.''.

(b) REAFFIRMATION.—Section 524(c) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) in a case concerning a creditor obligated to make the disclosures required under section 127(h) of the Truth in Lending Act, the agreement contains a copy of such disclosures that is signed and dated by the debtor.''.

SESSIONS (AND OTHERS) AMENDMENT NO. 2518

Mr. SESSIONS (for himself, Mr. KOHL, and Mr. GRASSLEY) proposed an amendment No. 2516 proposed by Mr. GRASSLEY to the bill, S. 625, supra; as follows:

In the amendment strike all after the first word and insert the following:

3___. LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by sections 224 and 307 of this Act, is amended—

(1) in subsection (b)(3)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

(2) by adding at the end the following:

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.''.

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking ''522(d),'' and inserting ''522 (d) or (n),''; and

(2) in paragraph (3), by striking ''522(d),'' and inserting ''522 (d) or (n),''.

COLLINS (AND OTHERS) AMENDMENT NO. 2519

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. KERRY, Mrs. MURRAY, Mr. STEVENS, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place insert the following:

SEC. ___. FAMILY FISHERMEN.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (7) the following:

''(7A) 'commercial fishing operation' includes—

''(A) the catching or harvesting of fish, shrimp, lobsters, urchins, seaweed, shellfish, or other aquatic species or products;

''(B) for purposes of section 109 and chapter 12, aquaculture activities consisting of raising for market any species or product described in subparagraph (A); and

''(C) the transporting by vessel of a passenger for hire (as defined in section 2101 of title 46) who is engaged in recreational fishing;

''(7B) 'commercial fishing vessel' means a vessel used by a fisherman to carry out a commercial fishing operation;'';

(2) by inserting after paragraph (19) the following:

''(19A) 'family fisherman' means—

''(A) an individual or individual and spouse engaged in a commercial fishing operation (including aquaculture for purposes of chapter 12)—

''(i) whose aggregate debts do not exceed $1,500,000 and not less than 80 percent of whose aggregate noncontingent, liquidated debts (excluding a debt for the principal residence of such individual or such individual and spouse, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such individual or such individual and spouse; and

''(ii) who receive from such commercial fishing operation more than 50 percent of such individual's or such individual's and spouse's gross income for the taxable year preceding the taxable year in which the case concerning such individual or such individual and spouse was filed; or

''(B) a corporation or partnership—

''(i) in which more than 50 percent of the outstanding stock or equity is held by—

''(I) 1 family that conducts the commercial fishing operation; or

''(II) 1 family and the relatives of the members of such family, and such family or such relatives conduct the commercial fishing operation; and

''(ii)(I) more than 80 percent of the value of its assets consists of assets related to the commercial fishing operation;

''(II) its aggregate debts do not exceed $1,500,000 and not less than 80 percent of its aggregate noncontingent, liquidated debts (excluding a debt for 1 dwelling which is owned by such corporation or partnership and which a shareholder or partner maintains as a principal residence, unless such debt arises out of a commercial fishing operation), on the date the case is filed, arise out of a commercial fishing operation owned or operated by such corporation or such partnership; and

''(III) if such corporation issues stock, such stock is not publicly traded;''; and

(3) by inserting after paragraph (19A) the following:

''(19B) 'family fisherman with regular annual income' means a family fisherman whose annual income is sufficiently stable and regular to enable such family fisherman to make payments under a plan under chapter 12 of this title;''.

(b) WHO MAY BE A DEBTOR.—Section 109(f) of title 11, United States Code, is amended by inserting ''or family fisherman'' after ''family farmer''.

(c) CHAPTER 12.—Chapter 12 of title 11, United States Code, is amended—

(1) in the chapter heading, by inserting ''**OR FISHERMAN**'' after ''**FAMILY FARMER**'';

(2) in section 1201, by adding at the end the following:

''(e)(1) Notwithstanding any other provision of law, for purposes of this subsection, a guarantor of a claim of a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.

''(2) For purposes of a claim that arises from the ownership or operation of a commercial fishing operation, a co-maker of a loan made by a creditor under this section shall be treated in the same manner as a creditor with respect to the operation of a stay under this section.'';

(3) in section 1203, by inserting ''or commercial fishing operation'' after ''farm'';

(4) in section 1206, by striking ''if the property is farmland or farm equipment'' and inserting ''if the property is farmland, farm equipment, or property of a commercial fishing operation (including a commercial fishing vessel)''; and

(5) by adding at the end the following:

''§ 1232. Additional provisions relating to family fishermen

''(a)(1) Notwithstanding any other provision of law, except as provided in subsection (c), with respect to any commercial fishing

vessel of a family fisherman, the debts of that family fisherman shall be treated in the manner prescribed in paragraph (2).

''(2)(A) For purposes of this chapter, a claim for a lien described in subsection (b) for a commercial fishing vessel of a family fisherman that could, but for this subsection, be subject to a lien under otherwise applicable maritime law, shall be treated as an unsecured claim.

''(B) Subparagraph (A) applies to a claim for a lien resulting from a debt of a family fisherman incurred on or after the date of enactment of this chapter.

''(b) A lien described in this subsection is—

''(1) a maritime lien under subchapter III of chapter 313 of title 46 without regard to whether that lien is recorded under section 31343 of title 46; or

''(2) a lien under applicable State law (or the law of a political subdivision thereof).

''(c) Subsection (a) shall not apply to—

''(1) a claim made by a member of a crew or a seaman including a claim made for—

''(A) wages, maintenance, or cure; or

''(B) personal injury; or

''(2) a preferred ship mortgage that has been perfected under subchapter II of chapter 313 of title 46.

''(d) For purposes of this chapter, a mortgage described in subsection (c)(2) shall be treated as a secured claim.''.

(d) CLERICAL AMENDMENTS.—

(1) TABLE OF CHAPTERS.—In the table of chapters for title 11, United States Code, the item relating to chapter 12, is amended to read as follows:

''12. Adjustments of Debts of a Family Farmer or Family Fisherman with Regular Annual Income ..... 1201''.

(2) TABLE OF SECTIONS.—The table of sections for chapter 12 of title 11, United States Code, is amended by adding at the end the following new item:

''1232. Additional provisions relating to family fishermen.''.

(e) Applicability.—

Nothing in this section shall change, affect, or amend the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801, et seq.).

McCONNELL AMENDMENT NO. 2520

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. COMPENSATION OF TRUSTEES IN CERTAIN CASES UNDER CHAPTER 7 OF TITLE 11, UNITED STATES CODE.

Section 326 of title 11, United States Code, is amended by adding at the end the following:

''(e) In a case that has been converted under section 706, or after a case has been converted or dismissed under section 707 or the debtor has been denied a discharge under section 727—

''(1) the court may allow reasonable compensation under section 330 for the trustee's services rendered, payable after the trustee renders services; and

''(2) any allowance made by a court under paragraph (1) shall not be subject to the limitations under subsection (a).''.

DURBIN AMENDMENT NO. 2521

Mr. FEINGOLD (for Mr. DURBIN) proposed an amendment to the bill, S. 625, supra; as follows:

On page 29, after line 22, add the following:

SEC. 205. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code is amended—

(1) in paragraph (8), by striking ''or'' at the end:

(2) in paragraph (9), by striking the period at the end and inserting '';or'' and

(3) by adding at the end the following:

''(10) the claim is based on a secured debt, if the creditor has materially failed to comply with any applicable requirement under section (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639).''

On page 201, line 3 strike ''period at the end'' and insert ''semicolon''.

FEINGOLD AMENDMENT NO. 2522

Mr. FEINGOLD proposed an amendment to the bill, S. 625, supra; as follows:

On page 7, line 15, strike ''(ii)'' and inset ''(ii)(I)''.

On page 7, between lines 21 and 22, insert the following:

''(II) In addition, the debtor's monthly expenses may include, if applicable, the continuation of actual expenses paid by the debtor for care and support of a household member or member of the debtor's immediate family (including parents, grandparents, and siblings of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case) who is not a dependent.

JOHNSON AMENDMENT NO. 2523

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TREATMENT OF FEDERAL COMMUNICATIONS COMMISSION LICENSES OR PERMITS IN BANKRUPTCY PROCEEDINGS.

Section 309(j)(8) of the Communications Act of 1934 is amended by adding new paragraph (D) as follows:

''(D) PROTECTION OF INTERESTS.—

''(i) Title 11, United States Code, or any otherwise applicable Federal or state law regarding insolvencies or receiverships, or any succeeding Federal law not expressly in derogation of this subsection, shall not apply to or be construed to apply to the Commission or limit the rights, powers, or duties of the Commission with respect to (a) a license or permit issued by the Commission under this subsection or a payment made to or a debt or other obligation owed to the Commission relating to or rising from such a license or permit, (b) an interest of the Commission in property securing such a debt or other obligation, or (c) an act by the Commission to issue, deny, cancel, or transfer control of such a license or permit.

''(ii) Notwithstanding otherwise applicable law, the Commission shall be deemed to have a perfected, first priority security interest in a license or construction permit issued by the Commission under this subsection and the proceeds of such a license or permit for which a debt or other obligation is owed to the Commission under this subsection.

''(iii) This paragraph shall apply retroactively, including to pending cases and proceedings whether on appeal or otherwise.''.

GRAMM AMENDMENT NOS. 2524–2526

Mr. GRAMM submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2524

Strike the matter proposed and insert the following:

SEC. ___. MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking ''subsection (n)'' and inserting ''subsections (n) and (o)''; and

(2) by adding at the end the following:

''(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

''(1) during the 2-year period preceding the date of the filing of the petition; and

''(2) no such exemption shall be available during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.''.

AMENDMENT NO. 2525

At the appropriate place, insert the following:

SEC. ___. MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking ''subsection (n)'' and inserting ''subsections (n) and (o)''; and

(2) by adding at the end the following:

''(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

''(1) during the 2-year period preceding the date of the filing of the petition; or

''(2) during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.''.

AMENDMENT NO. 2526

At the appropriate place, insert the following:

SEC. ___. MAXIMUM HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, as amended by section 308 of this Act, is amended—

(1) in subsection (b)(3)(A), by striking ''subsection (n)'' and inserting ''subsections (n) and (o)''; and

(2) by adding at the end the following:

''(o) Notwithstanding any other provision of law, for purposes of subsection (b)(3)(A), the maximum exemption under applicable State law from the property of the estate of a debtor of the value of an interest of the debtor in any real or personal property or cooperative described in paragraph (1) or (2) of subsection (n) shall not exceed $100,000, if the debtor acquired the interest—

''(1) during the 2-year period preceding the date of the filing of the petition; and

''(2) no such exemption shall be available during the 5-year period preceding the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor.''.

HATCH (AND OTHERS) AMENDMENT NO. 2527

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. ASHCROFT, and Mr. ABRAHAM) submitted an amendment intended to be

proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ____—METHAMPHETAMINE AND OTHER CONTROLLED SUBSTANCES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Methamphetamine Anti-Proliferation Act of 1999''.

Subtitle A—Methamphetamine Production, Trafficking, and Abuse

CHAPTER 1—CRIMINAL PENALTIES

SEC. ___11. ENHANCED PUNISHMENT OF AMPHETAMINE LABORATORY OPERATORS.

(a) AMENDMENT TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any offense relating to the manufacture, importation, exportation, or trafficking in amphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(1) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(2) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(3) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(b) GENERAL REQUIREMENT.—In carrying out this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) relating to amphetamine—

(1) review and amend its guidelines to provide for increased penalties such that those penalties are comparable to the base offense level for methamphetamine; and

(2) take any other action the Commission considers necessary to carry out this subsection.

(c) ADDITIONAL REQUIREMENTS.—In carrying out this section, the United States Sentencing Commission shall ensure that the sentencing guidelines for offenders convicted of offenses described in subsection (a) reflect the heinous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving amphetamines, including—

(1) the rapidly growing incidence of amphetamine abuse and the threat to public safety that such abuse poses;

(2) the high risk of amphetamine addiction;

(3) the increased risk of violence associated with amphetamine trafficking and abuse; and

(4) the recent increase in the illegal importation of amphetamine and precursor chemicals.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___12. ENHANCED PUNISHMENT OF AMPHETAMINE OR METHAMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, attempt to manufacture, or conspiracy to manufacture amphetamine or methamphetamine in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this paragraph, the United States Sentencing Commission shall—

(A) if the offense created a substantial risk of harm to human life (other than a life described in subparagraph (B)) or the environment, increase the base offense level for the offense—

(i) by not less than 3 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 27, to not less than level 27; or

(B) if the offense created a substantial risk of harm to the life of a minor or incompetent, increase the base offense level for the offense—

(i) by not less than 6 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 30, to not less than level 30.

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of enactment of this Act.

SEC. ___13. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking ''may'' and inserting ''shall'';

(2) by inserting ''amphetamine or'' before ''methamphetamine'' each place it appears;

(3) in paragraph (2)—

(A) by inserting '', the State or local government concerned, or both the United States and the State or local government concerned'' after ''United States'' the first place it appears; and

(B) by inserting ''or the State or local government concerned, as the case may be,'' after ''United States'' the second place it appears; and

(4) in paragraph (3), by striking ''section 3663 of title 18, United States Code'' and inserting ''section 3663A of title 18, United States Code''.

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(D) all amounts collected—

''(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

''(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States.''.

(c) CLARIFICATION OF CERTAIN ORDERS OF RESTITUTION.—Section 3663(c)(2)(B) of title 18, United States Code, is amended by inserting ''which may be'' after ''the fine''.

(d) EXPANSION OF APPLICABILITY OF MANDATORY RESTITUTION.—Section 3663A(c)(1)(A)(ii) of title 18, United States Code, is amended by inserting ''or under section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a)),'' after ''under this title,''.

(e) TREATMENT OF ILLICIT SUBSTANCE MANUFACTURING OPERATIONS AS CRIMES AGAINST PROPERTY.—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following new subsection:

''(c) A violation of subsection (a) shall be considered an offense against property for purposes of section 3663A(c)(1)(A)(ii) of title 18, United States Code.''.

SEC. ___14. METHAMPHETAMINE PARAPHERNALIA.

Section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)) is amended in the matter preceding paragraph (1) by inserting ''methamphetamine,'' after ''PCP,''.

CHAPTER 2—ENHANCED LAW ENFORCEMENT

SEC. ___21. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.

(a) USE OF AMOUNTS OR DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting ''(i) for'' before ''disbursements'';

(2) by inserting ''and'' after the semicolon; and

(3) by adding at the end the following:

''(ii) for payment for—

''(I) costs incurred by or on behalf of the Department of Justice in connection with the removal, for purposes of Federal forfeiture and disposition, of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

''(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine, to the extent such costs exceed equitable sharing payments made to such State or local government in such case;''.

(b) GRANTS UNDER DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: ''and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine''.

(c) AMOUNTS SUPPLEMENT AND NOT SUPPLANT.—

(1) ASSETS FORFEITURE FUND.—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Department of Justice in such fiscal year from other sources for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) GRANT PROGRAM.—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated

with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year from other sources for such removal.

SEC. ___22. REDUCTION IN RETAIL SALES TRANSACTION THRESHOLD FOR NON-SAFE HARBOR PRODUCTS CONTAINING PSEUDOEPHEDRINE OR PHENLYPROPANOLAMINE.

(a) REDUCTION IN TRANSACTION THRESHOLD.—Section 102(39)(A)(iv)(II) of the Controlled Substances Act (21 U.S.C. 802(39)(A)(iv)(II) is amended—

(1) by striking ''24 grams'' both places it appears and inserting ''9 grams''; and

(2) by inserting before the semicolon at the end the following: ''and sold in package sizes of not more than 3 grams of pseudoephedrine base or 3 grams of phenylpropanolamine base''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. ___23. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.

(a) IN GENERAL.—

(1) REQUIREMENT.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b) with respect to the law enforcement personnel of States and localities determined by the Administrator to have significant levels of methamphetamine-related or amphetamine-related crime or projected by the Administrator to have the potential for such levels of crime in the future.

(2) DURATION.—The duration of any program under that subsection may not exceed 3 years.

(b) COVERED PROGRAMS.—The programs described in this subsection are as follows:

(1) ADVANCED MOBILE CLANDESTINE LABORATORY TRAINING TEAMS.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) BASIC CLANDESTINE LABORATORY CERTIFICATION TRAINING.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) CLANDESTINE LABORATORY RECERTIFICATION AND AWARENESS TRAINING.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) $1,500,000 to carry out the program described in subsection (b)(1).

(2) $3,000,000 to carry out the program described in subsection (b)(2).

(3) $1,000,000 to carry out the program described in subsection (b)(3).

SEC. ___24. COMBATTING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.

(a) IN GENERAL.—

(1) IN GENERAL.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) ACTIVITIES.—In meeting the requirement in paragraph (1), the Director shall provide funds for—

(A) employing additional Federal law enforcement personnel, or facilitating the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, chemists, investigative assistants, and drug-prevention specialists; and

(B) such other activities as the Director considers appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section—

(1) $15,000,000 for fiscal year 2000; and

(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) APPORTIONMENT OF FUNDS.—

(1) FACTORS IN APPORTIONMENT.—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence and predictive data from the Drug Enforcement Administration and the Department of Health and Human Services showing patterns and trends in abuse, trafficking, and transportation in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) CERTIFICATION.—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

SEC. ___25. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.

(a) ACTIVITIES.—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking, including assistance with foreign-language interpretation;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations;

(5) enhance the investigative and related functions of the Chemical Control Program of the Administration to implement more fully the provisions of the Comprehensive Methamphetamine Control Act of 1996 (Public Law 104–237);

(6) design an effective means of requiring an accurate accounting of the import and export of list I chemicals, and coordinate investigations relating to the diversion of such chemicals;

(7) develop a computer infrastructure sufficient to receive, process, analyze, and redistribute time-sensitive enforcement information from suspicious order reporting to field offices of the Administration and other law enforcement and regulatory agencies, including the continuing development of the Suspicious Order Reporting and Tracking System (SORTS) and the Chemical Transaction Database (CTRANS) of the Administration;

(8) establish an education, training, and communication process in order to alert the industry to current trends and emerging patterns in the illegal manufacturing of amphetamine and methamphetamine; and

(9) carry out such other activities as the Administrator considers appropriate.

(b) ADDITIONAL POSITIONS AND PERSONNEL.—

(1) IN GENERAL.—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(2) PARTICULAR POSITIONS.—In carrying out activities under paragraphs (5) through (8) of subsection (a), the Administrator may establish in the Administration not more than 15 full-time positions, including not more than 10 diversion investigator positions, and may appoint personnel to such positions. Any positions established under this paragraph are in addition to any positions established under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Drug Enforcement Administration for each fiscal year after fiscal year 1999, $9,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b), of which $3,000,000 shall be available for activities under paragraphs (5) through (8) of subsection (a) and employing personnel in positions established under subsection (b)(2).

CHAPTER 3—ABUSE PREVENTION AND TREATMENT

SEC. ___31. EXPANSION OF METHAMPHETAMINE RESEARCH.

Section 464N of the Public Health Service Act (42 U.S.C. 285o–2) is amended by adding at the end the following:

''(c) METHAMPHETAMINE RESEARCH.—

''(1) GRANTS OR COOPERATIVE AGREEMENTS.—The Director of the Institute may make grants or enter into cooperative agreements to expand the current and on-going interdisciplinary research and clinical trials with treatment centers of the National Drug Abuse Treatment Clinical Trials Network relating to methamphetamine abuse and addiction and other biomedical, behavioral, and social issues related to methamphetamine abuse and addiction.

''(2) USE OF FUNDS.—Amounts made available under a grant or cooperative agreement under paragraph (1) for methamphetamine abuse and addiction may be used for research and clinical trials relating to—

''(A) the effects of methamphetamine abuse on the human body, including the brain;

''(B) the addictive nature of methamphetamine and how such effects differ with respect to different individuals;

''(C) the connection between methamphetamine abuse and mental health;

''(D) the identification and evaluation of the most effective methods of prevention of methamphetamine abuse and addiction;

''(E) the identification and development of the most effective methods of treatment of methamphetamine addiction, including pharmacological treatments;

''(F) risk factors for methamphetamine abuse;

''(G) effects of methamphetamine abuse and addiction on pregnant women and their fetuses; and

''(H) cultural, social, behavioral, neurological and psychological reasons that individuals abuse methamphetamine, or refrain from abusing methamphetamine.

''(3) RESEARCH RESULTS.—The Director shall promptly disseminate research results under this subsection to Federal, State and local entities involved in combating methamphetamine abuse and addiction.

''(4) AUTHORIZATION OF APPROPRIATIONS.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1), such sums as may be necessary for each fiscal year.

''(B) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) for a fiscal year shall supplement and not supplant any other amounts appropriated in such fiscal year for research on methamphetamine abuse and addiction.''.

SEC. ___32. METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE BY CENTER FOR SUBSTANCE ABUSE TREATMENT.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following new section:

''METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE

''SEC. 514. (a) GRANTS.—

''(1) AUTHORITY TO MAKE GRANTS.—The Director of the Center for Substance Abuse Treatment may make grants to States and Indian tribes recognized by the United States that have a high rate, or have had a rapid increase, in methamphetamine or amphetamine abuse or addiction in order to permit such States and Indian tribes to expand activities in connection with the treatment of methamphetamine or amphetamine abuser or addiction in the specific geographical areas of such States or Indian tribes, as the case may be, where there is such a rate or has been such an increase.

''(2) RECIPIENTS.—Any grants under paragraph (1) shall be directed to the substance abuse directors of the States, and of the appropriate tribal government authorities of the Indian tribes, selected by the Director to receive such grants.

''(3) NATURE OF ACTIVITIES.—Any activities under a grant under paragraph (1) shall be based on reliable scientific evidence of their efficacy in the treatment of methamphetamine or amphetamine abuse or addiction.

''(b) GEOGRAPHIC DISTRIBUTION.—The Director shall ensure that grants under subsection (a) are distributed equitably among the various regions of the country and among rural, urban, and suburban areas that are affected by methamphetamine or amphetamine abuse or addiction.

''(c) ADDITIONAL ACTIVITIES.—The Director shall—

''(1) evaluate the activities supported by grants under subsection (a);

''(2) disseminate widely such significant information derived from the evaluation as the Director considers appropriate to assist States, Indian tribes, and private providers of treatment services for methamphetamine or amphetamine abuser or addiction in the treatment of methamphetamine or amphetamine abuse or addiction; and

''(3) provide States, Indian tribes, and such providers with technical assistance in connection with the provision of such treatment.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

''(2) USE OF CERTAIN FUNDS.—Of the funds appropriated to carry out this section in any fiscal year, the lesser of 5 percent of such funds or $1,000,000 shall be available to the Director for purposes of carrying out subsection (c).''.

SEC. ___33. EXPANSION OF METHAMPHETAMINE ABUSE PREVENTION EFFORTS.

(a) EXPANSION OF EFFORTS.—Section 515 of the Public Health Service Act (42 U.S.C. 290bb–21) is amended by adding at the end the following:

''(e)(1) The Administrator may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

''(A) to carry out school-based programs concerning the dangers of abuse of and addiction to methamphetamine and other illicit drugs, using methods that are effective and science-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

''(B) to carry out community-based abuse and addiction prevention programs relating to methamphetamine and other illicit drugs that are effective and science-based.

''(2) Amounts made available under a grant, contract or cooperative agreement under paragraph (1) shall be used for planning, establishing, or administering prevention programs relating to methamphetamine and other illicit drugs in accordance with paragraph (3).

''(3)(A) Amounts provided under this subsection may be used—

''(i) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine abuse and addiction and targeted at populations which are most at risk to start abuse of methamphetamine and other illicit drugs;

''(ii) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for abuse of and addiction to methamphetamine and other illicit drugs;

''(iii) to assist local government entities to conduct appropriate prevention activities relating to methamphetamine and other illicit drugs;

''(iv) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of abuse of and addiction to methamphetamine and other illicit drugs, and the options for treatment and prevention;

''(v) for planning, administration, and educational activities related to the prevention of abuse of and addiction to methamphetamine and other illicit drugs;

''(vi) for the monitoring and evaluation of prevention activities relating to methamphetamine and other illicit drugs, and reporting and disseminating resulting information to the public; and

''(vii) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

''(B) The Administrator shall give priority in making grants under this subsection to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine abuse and addiction.

''(4)(A) Not less than $500,000 of the amount available in each fiscal year to carry out this subsection shall be made available to the Administrator, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for abuse of and addiction to methamphetamine and other illicit drugs and the development of appropriate strategies for disseminating information about and implementing these programs.

''(B) The Administrator shall submit to the committees of Congress referred to in subparagraph (C) an annual report with the results of the analyses and evaluation under subparagraph (A).

''(C) The committees of Congress referred to in this subparagraph are the following:

''(i) The Committees on Health, Education, Labor, and Pensions, the Judiciary, and Appropriations of the Senate.

''(ii) The Committees on Commerce, the Judiciary, and Appropriations of the House of Representatives.''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR EXPANSION OF ABUSE PREVENTION EFFORTS AND PRACTITIONER REGISTRATION REQUIREMENTS.—There is authorized to be appropriated to carry out section 515(e) of the Public Health Service Act (as added by subsection (a)) and section 303(g)(2) of the Controlled Substances Act (as added by section 18(a) of this Act), $15,000,000 for fiscal year 2000, and such sums as may be necessary for each succeeding fiscal year.

SEC. ___34. STUDY OF METHAMPHETAMINE TREATMENT.

(a) STUDY.—

(1) REQUIREMENT.—The Secretary of Health and Human Services shall, in consultation with the Institute of Medicine of the National Academy of Sciences, conduct a study on the development of medications for the treatment of addiction to amphetamine and methamphetamine.

(2) REPORT.—Not later than nine months after the date of the enactment of this Act, the Secretary shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated for the Department of Health and

Human Services for fiscal year 2000 such sums as may be necessary to meet the requirements of subsection (a).

CHAPTER 4—REPORTS

SEC. ___41. REPORTS ON CONSUMPTION OF METHAMPHETAMINE AND OTHER ILLICIT DRUGS IN RURAL AREAS, METROPOLITAN AREAS, AND CONSOLIDATED METROPOLITAN AREAS.

The Secretary of Health and Human Services shall include in each National Household Survey on Drug Abuse appropriate prevalence data and information on the consumption of methamphetamine and other illicit drugs in rural areas, metropolitan areas, and consolidated metropolitan areas.

SEC. ___42. REPORT ON DIVERSION OF ORDINARY OVER-THE-COUNTER PSEUDOEPHEDRINE AND PHENYLPROPANOLAMINE PRODUCTS.

(a) STUDY.—The Attorney General shall conduct a study of the use of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products in the clandestine production of illicit drugs. Sources of data for the study shall include the following:

(1) Information from Federal, State, and local clandestine laboratory seizures and related investigations identifying the source, type, or brand of drug products being utilized and how they were obtained for the illicit production of methamphetamine and amphetamine.

(2) Information submitted voluntarily from the pharmaceutical and retail industries involved in the manufacture, distribution, and sale of drug products containing ephedrine, pseudoephedrine, and phenylpropanolamine, including information on changes in the pattern, volume, or both, of sales of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products.

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2001, the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(2) ELEMENTS.—The report shall include—

(A) the findings of the Attorney General as a result of the study; and

(B) such recommendations on the need to establish additional measures to prevent diversion of ordinary over-the-counter pseudoephedrine and phenylpropanolamine (such as a threshold on ordinary over-the-counter pseudoephedrine and phenylpropanolamine products) as the Attorney General considers appropriate.

(3) MATTERS CONSIDERED.—In preparing the report, the Attorney General shall consider the comments and recommendations of State and local law enforcement and regulatory officials and of representatives of the industry described in subsection (a)(2).

Subtitle B—Controlled Substances Generally

CHAPTER 1—CRIMINAL MATTERS

SEC. ___51. ENHANCED PUNISHMENT FOR TRAFFICKING IN LIST I CHEMICALS.

(a) AMENDMENTS TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any violation of paragraph (1) or (2) of section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) involving a list I chemical and any violation of paragraph (1) or (3) of section 1010(d) of the Controlled Substance Import and Export Act (21 U.S.C. 960(d)) involving a list I chemical.

(b) EPHEDRINE, PHENYLPROPANOLAMINE, AND PSEUDOEPHEDRINE.—

(1) IN GENERAL.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving ephedrine, phenylpropanolamine, or pseudoephedrine (including their salts, optical isomers, and salts of optical isomers), review and amend its guidelines to provide for increased penalties such that those penalties corresponded to the quantity of controlled substance that could reasonably have been manufactured using the quantity of ephedrine, phenylpropanolamine, or pseudoephedrine possessed or distributed.

(2) CONVERSION RATIOS.—For the purposes of the amendments made by this subsection, the quantity of controlled substance that could reasonably have been manufactured shall be determined by using a table of manufacturing conversion ratios for ephedrine, phenylpropanolamine, and pseudoephedrine, which table shall be established by the Sentencing Commission based on scientific, law enforcement, and other data the Sentencing Commission considers appropriate.

(c) OTHER LIST I CHEMICALS.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving any list I chemical other than ephedrine, phenylpropanolamine, or pseudoephedrine, review and amend its guidelines to provide for increased penalties such that those penalties reflect the dangerous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving methamphetamine and amphetamine, including—

(1) the rapidly growing incidence of controlled substance manufacturing;

(2) the extreme danger inherent in manufacturing controlled substances;

(3) the threat to public safety posed by manufacturing controlled substances; and

(4) the recent increase in the importation, possession, and distribution of list I chemicals for the purpose of manufacturing controlled substances.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___52. MAIL ORDER REQUIREMENTS.

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) As used in this paragraph:

''(i) The term 'drug product' means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

''(ii) The term 'valid prescription' means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner's professional practice.'';

(3) in subparagraph (B), as so redesignated, by inserting ''or who engages in an export transaction'' after ''nonregulated person''; and

(4) adding at the end the following:

''(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

''(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

''(ii) Distributions of drug products by retail distributors that may not include face-to-face transactions to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

''(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

''(iv) Distributions of drug products pursuant to a valid prescription.

''(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

''(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

''(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an expedited hearing as provided in section 1018(c)(2).''.

SEC. ___53. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) DRUG PARAPHERNALIA.—Subsection (a)(1) of section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended by inserting '', directly or indirectly advertise for sale,'' after ''sell''.

(b) DIRECTLY OR INDIRECTLY ADVERTISE FOR SALE DEFINED.—Such section 422 is further amended by adding at the end the following new subsection:

''(g) In this section, the term 'directly or indirectly advertise for sale' means the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) with the intent to facilitate or promote a transaction in.''.

(c) SCHEDULE I CONTROLLED SUBSTANCES.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) in paragraph (1), as so designated—

(A) in the first sentence, by inserting before the period the following: '', or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance''; and

(B) in the second sentence, by striking ''term 'advertisement' '' and inserting ''term 'written advertisement' ''.

SEC. ___54. THEFT AND TRANSPORTATION OF ANHYDROUS AMMONIA FOR PURPOSES OF ILLICIT PRODUCTION OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end the following:

''ANHYDROUS AMMONIA

''SEC. 423 (a) It is unlawful for any person—

''(1) to steal anhydrous ammonia, or

''(2) to transport stolen anhydrous ammonia across State lines,

knowing, intending, or having reasonable cause to believe that such anhydrous ammonia will be used to manufacture a controlled substance in violation of this part.

''(b) Any person who violates subsection (a) shall be imprisoned or fined, or both, in accordance with section 403(d) as if such violation were a violation of a provision of section 403.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by inserting after the item relating to section 421 the following new items:

''Sec. 422. Drug paraphernalia.
''Sec. 423. Anhydrous ammonia.''.

(c) ASSISTANCE FOR CERTAIN RESEARCH.—

(1) AGREEMENT.—The Administrator of the Drug Enforcement Administration shall seek to enter into an agreement with Iowa State University in order to permit the University to continue and expand its current research into the development of inert agents that, when added to anhydrous ammonia, eliminate the usefulness of anhydrous ammonia as an ingredient in the production of methamphetamine.

(2) REIMBURSABLE PROVISION OF FUNDS.—The agreement under paragraph (1) may provide for the provision to Iowa State University, on a reimbursable basis, of $500,000 for purposes the activities specified in that paragraph.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Drug Enforcement Administration for fiscal year 2000, $500,000 for purposes of carrying out the agreement under this subsection.

SEC. ___55. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

''CHAPTER 22—CONTROLLED SUBSTANCES

''Sec.
''421. Distribution of information relating to manufacture of controlled substances.

''§ 421. Distribution of information relating to manufacture of controlled substances

''(a) PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO MANUFACTURE OF CONTROLLED SUBSTANCES.—

''(1) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term 'controlled substance' has the meaning given that term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

''(2) PROHIBITION.—It shall be unlawful for any person—

''(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

''(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

''(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

''22. Controlled Substances ..... 421''.

CHAPTER 2—OTHER MATTERS

SEC. ___61. WAIVER AUTHORITY FOR PHYSICIANS WHO DISPENSE OR PRESCRIBE CERTAIN NARCOTIC DRUGS FOR MAINTENANCE TREATMENT OR DETOXIFICATION TREATMENT.

(a) REQUIREMENTS.—Section 303(g) of the Controlled Substances Act (21 U.S.C. 823(g)) is amended—

(1) in paragraph (2), by striking ''(A) security'' and inserting ''(i) security'', and by striking ''(B) the maintenance'' and inserting ''(ii) the maintenance'';

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) by inserting ''(1)'' after ''(g)'';

(4) by striking ''Practitioners who dispense'' and inserting ''Except as provided in paragraph (2), practitioners who dispense and prescribe''; and

(5) by adding at the end the following:

''(2)(A) Subject to subparagraphs (D), the requirements of paragraph (1) are waived in the case of the dispensing or prescribing, by a physician, of narcotic drugs in schedule III, IV, or V, or combinations of such drugs, if the physician meets the conditions specified in subparagraph (B) and the narcotic drugs or combinations of such drugs meet the conditions specified in subparagraph (C).

''(B)(i) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to a physician are that, before dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment, the physician submit to the Secretary and the Attorney General a notification of the intent of the physician to begin dispensing or prescribing the drugs or combinations for such purpose, and that the notification to the Secretary also contain the following certifications by the physician:

''(I) The physician—

''(aa) is a physician licensed under State law; and

''(bb) has training or experience and the ability to treat and manage opiate-dependent patients.

''(II) With respect to patients to whom the physician will provide such drugs or combinations of drugs, the physician has the capacity to refer the patients for appropriate counseling and other appropriate ancillary services.

''(III) In any case in which the physician is not in a group practice, the total number of such patients of the physician at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number.

''(IV) In any case in which the physician is in a group practice, the total number of such patients of the group practice at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number, and the Secretary for such purposes may by regulation establish different categories on the basis of the number of physicians in a group practice and establish for the various categories different numerical limitations on the number of such patients that the group practice may have.

''(ii)(I) The Secretary may, in consultation with the Administrator of the Drug Enforcement Administration, the Administrator of the Substance Abuse and Mental Health Services Administration, the Director of the Center for Substance Abuse Treatment, the Director of the National Institute on Drug Abuse, and the Commissioner of Food and Drugs, issue regulations through notice and comment rulemaking or practice guidelines to implement this paragraph. The regulations or practice guidelines shall address the following:

''(aa) Approval of additional credentialing bodies and the responsibilities of credentialing bodies.

''(bb) Additional exemptions from the requirements of this paragraph and any regulations under this paragraph.

''(II) Nothing in the regulations or practice guidelines under this clause may authorize any Federal official or employee to exercise supervision or control over the practice of medicine or the manner in which medical services are provided.

''(III)(aa) The Secretary shall issue a Treatment Improvement Protocol containing best practice guidelines for the treatment and maintenance of opiate-dependent patients. The Secretary shall develop the protocol in consultation with the Director of the National Institute on Drug Abuse, the Director of the Center for Substance Abuse Treatment, the Administrator of the Drug Enforcement Administration, the Commissioner of Food and Drugs, the Administrator of the Substance Abuse and Mental Health Services Administration, and other substance abuse disorder professionals. The protocol shall be guided by science.

''(bb) The protocol shall be issued not later than 120 days after the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999.

''(IV) For purposes of the regulations or practice guidelines under subclause (I), a physician shall have training or experience under clause (i)(I)(bb) if the physician meets one or more of the following conditions:

''(aa) The physician is certified in addiction treatment by the American Society of Addiction Medicine, the American Board of Medical Specialties, the American Osteopathic Academy of Addiction Medicine, or any other certified body accredited by the Secretary.

''(bb) The physician has been a clinical investigator in a clinical trial conducted for purposes of securing approval under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or section 351 of the Public Health Service Act (42 U.S.C. 262) of a narcotic drug in schedule III, IV, or V for the treatment of addiction, if such approval was granted.

''(cc) The physician has completed training (through classroom situations, seminars, professional society meetings, electronic communications, or otherwise) provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Osteopathic Academy of Addiction Medicine, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines appropriate for purposes of this item. The curricula may include

training in patient need for counseling regarding HIV, Hepatitis C, and other infectious diseases, substance abuse counseling, random drug testing, medical evaluation, annual assessment, prenatal care, diagnosis of addiction, rehabilitation services, confidentiality, and other appropriate topics.

''(dd) The physician has training or experience in the treatment and management of opiate-dependent, which training or experience shall meet such criteria as the Secretary may prescribe. Any such criteria shall be effective for a period of three years after the effective date of such criteria, but the Secretary may extend the effective period of such criteria by additional periods of three years for each extension if the Secretary determines that such extension is appropriate for purposes of this item. Any such extension shall go into effect only if the Secretary publishes a notice of such extension in the Federal Register during the 30-day period ending on the date of the end of the three-year effective period of such criteria to which such extension will apply.

''(ee) The physician is certified in addiction treatment by a State medical licensing board, or an entity accredited by such board, unless the Secretary determines (after an opportunity for a hearing) that the training provided by such board or entity was inadequate for the treatment and management of opiate-dependent patients.

''(C) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are as follows:

''(i) The drugs or combinations of drugs have, under the Federal Food, Drug and Cosmetic Act or section 351 of the Public Health Service Act, been approved for use in maintenance or detoxification treatment.

''(ii) The drugs or combinations of drugs have not been the subject of an adverse determination. For purposes of this clause, an adverse determination is a determination published in the Federal Register and made by the Secretary, after consultation with the Attorney General, that experience since the approval of the drug or combinations of drugs has shown that the use of the drugs or combinations of drugs for maintenance or detoxification treatment requires additional standards respecting the qualifications of physicians to provide such treatment, or requires standards respecting the quantities of the drugs that may be provided for unsupervised use.

''(D)(i) A waiver under subparagraph (A) with respect to a physician is not in effect unless (in addition to conditions under subparagraphs (B) and (C)) the following conditions are met:

''(I) The notification under subparagraph (B) is in writing and states the name of the physician.

''(II) The notification identifies the registration issued for the physician pursuant to subsection (f).

''(III) If the physician is a member of a group practice, the notification states the names of the other physicians in the practice and identifies the registrations issued for the other physicians pursuant to subsection (f).

''(IV) A period of 45 days has elapsed after the date on which the notification was submitted, and during such period the physician does not receive from the Secretary a written notice that one or more of the conditions specified in subparagraph (B), subparagraph (C), or this subparagraph, have not been met.

''(ii) The Secretary shall provide to the Attorney General such information contained in notifications under subparagraph (B) as the Attorney General may request.

''(E) If in violation of subparagraph (A) a physician dispenses or prescribes narcotic drugs in schedule III, IV, or V, or combinations of such drugs, for maintenance treatment or detoxification treatment, the Attorney General may, for purposes of section 304(a)(4), consider the physician to have committed an act that renders the registration of the physician pursuant to subsection (f) to be inconsistent with the public interest.

''(F)(i) Upon determining that a physician meets the conditions specified in subparagraph (B), the Secretary shall notify the physician and the Attorney General.

''(ii) Upon receiving notice with respect to a physician under clause (i), the Attorney General shall assign the physician an identification number under this paragraph for inclusion with the physician's current registration to prescribe narcotics. An identification number assigned a physician under this clause shall be appropriate to preserve the confidentiality of a patient prescribed narcotic drugs covered by this paragraph by the physician.

''(iii) If the Secretary fails to make a determination described in clause (i) by the end of the 45-day period beginning on the date of the receipt by the Secretary of a notification from a physician under subparagraph (B), the Attorney General shall assign the physician an identification number described in clause (ii) at the end of such period.

''(G) In this paragraph:

''(i) The term 'group practice' has the meaning given such term in section 1877(h)(4) of the Social Security Act.

''(ii) The term 'physician' has the meaning given such term in section 1861(r) of the Social Security Act.

''(H)(i) This paragraph takes effect on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, and remains in effect thereafter except as provided in clause (iii) (relating to a decision by the Secretary or the Attorney General that this paragraph should not remain in effect).

''(ii) For the purposes relating to clause (iii), the Secretary and the Attorney General shall, during the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, make determinations in accordance with the following:

''(I)(aa) The Secretary shall—

''(aaa) make a determination of whether treatments provided under waivers under subparagraph (A) have been effective forms of maintenance treatment and detoxification treatment in clinical settings;

''(bbb) make a determination regarding whether such waivers have significantly increased (relative to the beginning of such period) the availability of maintenance treatment and detoxification treatment; and

''(ccc) make a determination regarding whether such waivers have adverse consequences for the public health.

''(bb) In making determinations under this subclause, the Secretary—

''(aaa) may collect data from the practitioners for whom waivers under subparagraph (A) are in effect;

''(bbb) shall issue appropriate guidelines or regulations (in accordance with procedures for substantive rules under section 553 of title 5, United States Code) specifying the scope of the data that will be required to be provided under this subclause and the means through which the data will be collected; and

''(ccc) shall, with respect to collecting such data, comply with applicable provisions of chapter 6 of title 5, United States Code (relating to a regulatory flexibility analysis), and of chapter 8 of such title (relating to congressional review of agency rulemaking).

''(II) The Attorney General shall—

''(aa) make a determination of the extent to which there have been violations of the numerical limitations established under subparagraph (B) for the number of individuals to whom a practitioner may provide treatment; and

''(bb) make a determination regarding whether waivers under subparagraph (A) have increased (relative to the beginning of such period) the extent to which narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are being dispensed or prescribed, or possessed, in violation of this Act.

''(iii) If, before the expiration of the period specified in clause (ii), the Secretary or the Attorney General publishes in the Federal Register a decision, made on the basis of determinations under such clause, that this paragraph should not remain in effect, this paragraph ceases to be in effect 60 days after the date on which the decision is so published. The Secretary shall, in making any such decision, consult with the Attorney General, and shall, in publishing the decision in the Federal Register, include any comments received from the Attorney General for inclusion in the publication. The Attorney General shall, in making any such decision, consult with the Secretary, and shall, in publishing the decision in the Federal Register, include any comments received from the Secretary for inclusion in the publication.

''(I) During the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, a State may not preclude a practitioner from dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment in accordance with this paragraph, or the other amendments made by section 22 of that Act, unless, before the expiration of that 3-year period, the State enacts a law prohibiting a practitioner from dispensing or prescribing such drugs or combination of drugs.''.

(b) CONFORMING AMENDMENTS.—Section 304 of the Controlled Substances Act (21 U.S.C. 824) is amended—

(1) in subsection (a), in the matter following paragraph (5), by striking ''section 303(g)'' each place the term appears and inserting ''section 303(g)(1)''; and

(2) in subsection (d), by striking ''section 303(g)'' and inserting ''section 303(g)(1)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for purposes of activities under section 303(g)(2) of the Controlled Substances Act, as added by subsection (a), amounts as follows:

(1) For fiscal year 2000, $3,000,000.

(2) For each fiscal year after fiscal year 2000, such sums as may be necessary for such fiscal year.

Subtitle C—Cocaine Powder

SEC. ___71. SHORT TITLE.

This subtitle may be cited as the ''Powder Cocaine Sentencing Act of 1999''.

SEC. ___72. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances

Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Miscellaneous

SEC. ___81. NOTICE; CLARIFICATION.

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: ''With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute.''.

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95–78 (91 Stat. 320) is amended by adding at the end the following:

''Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs.''.

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. ___82. DOMESTIC TERRORISM ASSESSMENT AND RECOVERY.

(a) IN GENERAL.—The Federal Bureau of Investigation shall prepare a study assessing—

(1) the threat posed by the Fuerzas Armadas de Liberacion Nacional Puertorriquena (FALN) and Los Macheteros terrorist organizations to the United States and its territories as of July 31, 1999; and

(2) what effect the President's offer of clemency to 16 FALN and Los Macheteros members on August 11, 1999, and the subsequent release of 11 of those members, will have on the threat posed by those terrorist organizations to the United States and its territories.

(b) ISSUES EXAMINED.—In conducting and preparing the study under subsection (a), the Federal Bureau of Investigation shall address—

(1) the threat posed by the FALN and Los Macheteros organizations to law enforcement officers, prosecutors, defense attorneys, witnesses, and judges involved in the prosecution of members of the FALN and Los Macheteros, both in the United States and its territories;

(2) the roles played by each the 16 members offered clemency by the President on August 11, 1999, in the FALN and Los Macheteros organizations;

(3) the extent to which the FALN and Los Macheteros organizations are associated with other known terrorist organizations or countries suspected of sponsoring terrorism;

(4) the threat posed to the national security interests of the United States by the FALN and Los Macheteros organizations;

(5) whether the offer of clemency to, or release of, any of the 16 FALN or Los Macheteros members would violate, or be inconsistent with, the United States' obligations under international treaties and agreements governing terrorist activity; and

(6) the effect on law enforcement's ability to solve open cases and apprehend fugitives resulting from the offer of clemency to the 16 FALN and Los Macheteros members, without first requiring each of them to provide the government all truthful information and evidence he or she has concerning open investigations and fugitives associated with the FALN and Los Macheteros organizations.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Federal Bureau of Investigation shall submit to Congress a report on the study conducted under subsection (a).

SEC. ___83. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug messages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

SEC. ___84. SEVERABILITY.

Any provision of this title held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed as to give the maximum effect permitted by law, unless such provision is held to be utterly invalid or unenforceable, in which event such provision shall be severed from this title and shall not affect the applicability of the remainder of this title, or of such provision, to other persons not similarly situated or to other, dissimilar circumstances.

LEAHY (AND OTHERS) AMENDMENT NO. 2528

Mr. LEAHY (for himself, Mrs. MURRAY, and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 625, supra; as follows:

On page 7, line 22, insert after the period the following:

''In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court.''

LEAHY AMENDMENT NO. 2529

Mr. LEAHY proposed an amendment to the bill, S. 625, supra; as follows:

On page 115, line 23, strike all through page 117, line 20, and insert the following:

''(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

''(v) a statement of the amount of projected monthly net income, itemized to show how the amount is calculated; and

''(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing''; and

(2) by adding at the end the following:

''(d)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who request those documents.

''(2)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

''(B) The court shall make such plan available to the creditor who request such plan—

''(i) at a reasonable cost; and

''(ii) not later than 5 days after such request.

''(e) An individual debtor in a case under chapter 7 or 13 shall file with the court at the request of any party in interest—

''(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and''

BYRD AMENDMENT NO. 2530

(Ordered to lie on the table.)

Mr. BYRD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. PROVISION OF ELECTRONIC FTC PAMPHLET WITH ELECTRONIC CREDIT CARD APPLICATIONS AND SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

''(5) INCLUSION OF FEDERAL TRADE COMMISSION PAMPHLET.—

''(A) IN GENERAL.—Any application to open a credit card account for any person under an open end consumer credit plan, or a solicitation to open such an account without requiring an application, that is electronically transmitted to or accessed by a consumer shall be accompanied by an electronic version (or an electronic link thereto) of the pamphlet published by the Federal Trade Commission relating to choosing and using credit cards.

''(B) COSTS.—The card issuer with respect to an account described in subparagraph (A) shall be responsible for all costs associated with compliance with that subparagraph.''.

DODD AMENDMENT NO. 2531

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking ''or'' at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

''(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or''; and

(2) by adding at the end the following:

''(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

''(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

DODD (AND OTHERS) AMENDMENT NO. 2532

(Ordered to lie on the table.)

Mr. DODD (for himself, Ms. LANDRIEU, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 7, line 15, strike ''(ii)'' and insert ''(ii)(I)''.

On page 7, between lines 21 and 22, insert the following:

''(II) The expenses referred to in subclause (I) shall include—

''(aa) taxes and mandatory withholdings from wages;

''(bb) health care;

''(cc) alimony, child, and spousal support payments;

''(dd) legal fees necessary for the debtor's case;

''(ee) child care and the care of elderly or disabled family members;

''(ff) reasonable insurance expenses and pension payments;

''(gg) religious and charitable contributions;

''(hh) educational expenses not to exceed $10,000 per household;

''(ii) union dues;

''(jj) other expenses necessary for the operation of a business of the debtor or for the debtor's employment;

''(kk) utility expenses and home maintenance expenses for a debtor that owns a home;

''(*ll*) ownership costs for a motor vehicle, determined in accordance with Internal Revenue Service transportation standards, reduced by any payments on debts secured by the motor vehicle or vehicle lease payments made by the debtor;

''(mm) expenses for children's toys and recreation for children of the debtor;

''(nn) tax credits for earned income determined under section 32 of the Internal Revenue Code of 1986; and

''(oo) miscellaneous and emergency expenses.

On page 83, between lines 4 and 5, insert the following:

SEC. 225. TREATMENT OF TAX REFUNDS AND DOMESTIC SUPPORT OBLIGATIONS.

(a) PROPERTY OF THE ESTATE.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (a)(5)(B) by inserting ''except as provided under subsection (b)(7),'' before ''as a result''; and

(2) in subsection (b)—

(A) in paragraph (4), by striking ''or'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (5) the following:

''(6) any—

''(A) refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed under section 32 of such Code for such year; and

''(B) advance payment of an earned income tax credit under section 3507 of the Internal Revenue Code of 1986; or

''(7) the right of the debtor to receive alimony, support, or separate maintenance for the debtor or dependent of the debtor.''.

(b) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 12.—Section 1225(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting ''(A)'' before ''For purposes'';

(2) by striking ''(A) for the maintenance'' and inserting ''(i) for the maintenance'';

(3) by striking ''(B) if the debtor'' and inserting ''(ii) if the debtor''; and

(4) by adding at the end the following:

''(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

''(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

''(ii) any advance payment for an earned income tax credit described in clause (i); or

''(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.''.

(c) PROTECTION OF EARNED INCOME TAX CREDIT AND SUPPORT PAYMENTS UNDER BANKRUPTCY REPAYMENT PLANS IN CHAPTER 13.—Section 1325(b)(2) of title 11, United States Code, as amended by section 218 of this Act, is amended—

(1) by inserting ''(A)'' before ''For purposes'';

(2) by striking ''(A) for the maintenance'' and inserting ''(i) for the maintenance'';

(3) by striking ''(B) if the debtor'' and inserting ''(ii) if the debtor''; and

(4) by adding at the end the following:

''(B) In determining disposable income the court shall not consider amounts the debtor receives or is entitled to receive from—

''(i) any refund of tax due to the debtor under subtitle A of the Internal Revenue Code of 1986 for any taxable year to the extent that the refund does not exceed the amount of an applicable earned income tax credit allowed by section 32 of the Internal Revenue Code of 1986 for such year;

''(ii) any advance payment for an earned income tax credit described in clause (i); or

''(iii) child support, foster care, or disability payment for the care of a dependent child in accordance with applicable nonbankruptcy law.''.

(d) EXEMPTIONS.—Section 522(d) of title 11, United States Code, as amended by section 224 of this Act, is amended in paragraph (10)—

(1) in subparagraph (C), by adding ''or'' after the semicolon;

(2) by striking subparagraph (D); and

(3) by striking ''(E)'' and inserting ''(D)''.

On page 92, line 5, strike ''personal property'' and insert ''an item of personal property purchased for more than $3,000''.

On page 93, line 19, strike ''property'' and insert ''an item of personal property purchased for more than $3,000''.

On page 97, line 10, strike ''if'' and insert ''to the extent that''.

On page 97, line 10, after ''incurred'' insert ''to purchase that thing of value''.

On page 98, line 1, strike ''(27A)'' and insert (27B)''.

On page 107, line 9, strike ''and aggregating more than $250'' and insert ''for $400 or more per item or service''.

On page 107, line 11, strike ''90'' and insert ''70''.

On page 107, line 13, after ''dischargeable'' insert the following: ''if the creditor proves by a preponderance of the evidence at a hearing that the goods or services were not reasonably necessary for the maintenance or support of the debtor''.

On page 107, line 15, strike ''$750'' and insert ''$1,075''.

On page 107, line 17, strike ''70'' and insert ''60''.

Beginning on page 109, strike line 21 and all that follows through page 111, line 15, and insert the following:

SEC. 314. HOUSEHOLD GOOD DEFINED.

Section 101 of title 11, United States Code, as amended by section 106(c) of this Act, is amended by inserting before paragraph (27B) the following:

''(27A) 'household goods'—

''(A) includes tangible personal property normally found in or around a residence; and

''(B) does not include motor vehicles used for transportation purposes;''.

On page 112, line 6, strike ''(except that,'' and all that follows through ''debts)'' on line 13.

On page 113, between lines 3 and 4, insert the following:

(c) EXCEPTIONS TO DISCHARGE.—Section 523 of title 11, United States Code, is amended—

(1) in subsection (c), by inserting ''(14A),'' after ''(6),'' each place it appears; and

(2) in subsection (d), by striking ''(a)(2)'' and inserting ''(a) (2) or (14A)''.

On page 263, line 8, insert ''as amended by section 322 of this Act,'' after ''United States Code,''.

On page 263, line 11, strike ''(4)'' and insert ''(5)''.

On page 263, line 12, strike ''(5)'' and insert ''(6)''.

On page 263, line 13, strike ''(6)'' and insert ''(7)''.

On page 263, line 14, strike ''(4)'' and insert ''(5)''.

On page 263, line 16, strike ''(5)'' and insert ''(6)''.

HATCH AMENDMENTS NOS. 2533–2535

(Ordered to lie on the table.)

Mr. HATCH submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2533

On page 21, line 25, strike the ending quotation marks and the second period.

On page 22, before line 1, insert the following:

''(b) No attorney or agency that represents a debtor under this title may provide credit counseling services to that debtor.''.

(2) REPORT.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference of the United States shall conduct a study and submit a report to Congress that—

(A) evaluates the implementation of section 111(b) of title 11, United States Code, as amended by this subsection; and

(B) includes any recommendations for Congress.

On page 22, line 1, strike ''(2)'' and insert ''(3)''.

AMENDMENT NO. 2534

On page 20, between lines 2 and 3, insert the following:

(c) FRESH START CREDIT COUNSELING.—Section 727 of title 11, United States Code, as amended by subsection (b) of this section, is amended by adding at the end the following:

''(f)(1) In addition to meeting the requirements under subsection (a), as a condition to receiving a discharge under this section a debtor shall provide assurances that the debtor will complete by not later than 365 days after the granting of the discharge, an instructional course concerning personal financial management described in section 111. That course shall be in addition to the course completed by the debtor to meet the requirements of section 109.

''(2) If a debtor fails to meet the requirements of paragraph (1) by the date specified in that paragraph, the debtor may not file a voluntary case under this chapter or chapter 13 until after the date that is 10 years after the date of the discharge referred to in that paragraph.''.

On page 20, line 3, strike ''(c)'' and insert ''(d)''.

On page 20, line 22, strike the ending quotation marks and the following period.

On page 20, between lines 22 and 23, insert the following:

''(j)(1) In addition to meeting the requirements under subsection (g), as a condition to receiving a discharge under this section a debtor shall provide assurances that the debtor will complete by not later than 365 days after the granting of the discharge, an instructional course concerning personal financial management described in section 111. That course shall be in addition to the course completed by the debtor to meet the requirements of section 109.

''(2) If a debtor fails to meet the requirements of paragraph (1) by the date specified in that paragraph, the debtor may not file a voluntary case under this chapter or chapter 7 until after the date that is 10 years after the date of the discharge referred to in that paragraph.''.

On page 20, line 23, strike ''(d)'' and insert ''(e)''.

On page 21, line 12, strike ''(e)'' and insert ''(f)''.

On page 22, line 4, strike ''(f)'' and insert ''(g)''.

AMENDMENT NO. 2535

On page 21, line 25, strike the ending quotation marks and the following period.

On page 21, after line 25, add the following:

''(b)(1) In this subsection, the term 'credit counseling service'—

''(A) means—

''(i) a nonprofit credit counseling service approved under subsection (a); and

''(ii) any other consumer education program carried out by—

''(I) a trustee appointed under chapter 13; or

''(II) any other public or private entity or individual; and

''(B) does not include any counseling service provided by the attorney of the debtor or an agent of the debtor.

''(2)(A) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

''(B) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

''(i) any actual damages sustained by the debtor as a result of the violation; and

''(ii) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.''.

HATCH (AND OTHERS) AMENDMENT NO. 2536

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. DODD, and Mr. GREGG) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking ''or'' at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

''(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or''; and

(2) by adding at the end the following:

''(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

''(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

WELLSTONE AMENDMENTS NOS. 2537–2538

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed

by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2537

At appropriate place, insert the following:

SEC. ___. DISALLOWANCE OF CLAIMS OF CERTAIN INSURED DEPOSITORY INSTITUTIONS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) such claim is the claim of an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act) that, as determined by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act)—

''(A) has total aggregate assets of more than $200,000,000;

''(B) offers retail depository services to the public; and

''(C) does not offer both checking and savings accounts that have—

''(i) low fees or no fees; and

''(ii) low or no minimum balance requirements.''.

AMENDMENT NO. 2538

At appropriate place, insert the following:

SEC. ___. DISALLOWANCE OF CERTAIN CLAIMS; PROHIBITION OF COERCIVE DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end of the following:

''(10) such claim arises from a transaction—

''(A) that is—

''(i) a consumer credit transaction;

''(ii) a transaction, for a fee—

''(I) in which the deposit of a personal check is deferred; or

''(II) that consists of a credit and a right to a future debit to a personal deposit account; or

''(iii) a transaction secured by a motor vehicle or the title to a motor vehicle; and

''(B) in which the annual percentage rate (as determined in accordance with section 107 of the Truth in Lending Act) exceeds 100 percent.''.

(b) UNFAIR DEBT COLLECTION PRACTICES.—

(1) IN GENERAL.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended—

(A) in the first sentence, by striking ''A debt collector'' and inserting the following:

''(a) IN GENERAL.—A debt collector''; and

(B) by adding at the end the following:

''(b) COERCIVE DEBT COLLECTION PRACTICES.—

''(1) IN GENERAL.—It shall be unlawful for any person (including a debt collector or a creditor) who, for a fee, defers deposit of a personal check or who makes a loan in exchange for a personal check or electronic access to a personal deposit account, to—

''(A) threaten to use or use the criminal justice process to collect on the personal check or on the loan;

''(B) threaten to use or use any process to seek a civil penalty if the personal check is returned for insufficient funds; or

''(C) threaten to use or use any civil process to collect on the personal check or the loan that is not generally available to creditors to collect on loans in default.

''(2) CIVIL LIABILITY.—Any person who violates this section shall be liable to the same extent and in the same manner as a debt collector is liable under section 813 for failure to comply with a provision of this title.''.

(2) CONFORMING AMENDMENT.—Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended by striking ''808(6)'' and inserting ''808(a)(6)''.

LEAHY AMENDMENTS NOS. 2539–2540

(Ordered to lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2539

On page 124, insert between lines 14 and 15 the following:

SEC. 322. BANKRUPTCY APPEALS.

(a) APPEALS.—Section 158 of title 28, United States Code, is amended—

(1) in subsection (c)(1), by striking out ''Subject to subsection (b),'' and inserting in lieu thereof ''Subject to subsections (b) and (d)(2),''; and

(2) in subsection (d)—

(A) by inserting ''(1)'' after ''(d)''; and

(B) by adding at the end the following new paragraph:

''(2) A court of appeals that would have jurisdiction of a subsequent appeal under paragraph (1) or other applicable law may authorize an immediate appeal to that court, in lieu of further proceedings in a district court or before a bankruptcy appellate panel exercising appellate jurisdiction under subsection (a) or (b), if the district court or bankruptcy appellate panel hearing an appeal certifies that—

''(A) a substantial question of law or matter of public importance is presented in the appeal pending in the district court or before the bankruptcy appellate panel; and

''(B) the interests of justice require an immediate appeal to the court of appeals of the judgment, order, or decree that had been appealed to the district court or bankruptcy appellate panel.''.

(b) PROCEDURAL RULES.—

(1) IN GENERAL.—Until rules of practice and procedure are promulgated or amended under chapter 131 of title 28, United States Code, relating to appeals to a court of appeals exercising jurisdiction under section 158(d)(2) of title 28, United States Code, as added by this Act, the provisions of this subsection shall apply.

(2) CERTIFICATION.—A district court or bankruptcy appellate panel may enter a certification as described under section 158(d)(2) of title 28, United States Code, on its own or a party's motion during an appeal to the district court or bankruptcy appellate panel under section 158 (a) or (b) of such title.

(3) APPEAL.—Subject to paragraphs (1), (2), and (4) through (8) of this subsection, an appeal under section 158(d)(2) of title 28, United States Code, shall be taken in the manner prescribed under rule 5 of the Federal Rules of Appellate Procedure.

(4) FILING BASED ON CERTIFICATION.—When an appeal is requested on the basis of a certification of a district court or bankruptcy appellate panel, the petition shall be filed within 10 days after the district court or bankruptcy appellate panel enters the certification.

(5) ATTACHMENT OF CERTIFICATION.—When an appeal is requested on the basis of a certification of a district court or bankruptcy appellate panel, a copy of the certification shall be attached to the petition.

(6) APPLICATION TO BANKRUPTCY APPELLATE PANELS.—When an appeal is requested in a case pending before a bankruptcy appellate panel, rule 5 of the Federal Rules of Appellate Procedure shall apply by using the terms ''bankruptcy appellate panel'' and ''clerk of the bankruptcy appellate panel'' in lieu of the terms ''district court'' and ''district clerk'', respectively.

(7) APPLICATION OF FEDERAL RULES.—When a court of appeals authorizes an appeal, the Federal Rules of Appellate Procedure apply to the proceedings in the court of appeals, to the extent relevant, as if the appeal were taken from a final judgment, order, or decree of a district court or bankruptcy appellate panel exercising appellate jurisdiction under section 158 (a) or (b) of title 28, United States Code.

AMENDMENT NO. 2540

On page 294, between lines 11 and 12, insert the following:

SEC. 11___. TOBACCO MULTI-STATE ACCOUNTABILITY.

(a) PURPOSE.—The purpose of this section is to provide that tobacco companies and their parent corporations may not use Federal bankruptcy law to escape their liability for the debts arising from the settlement of certain litigation by State attorneys general to hold the tobacco industry accountable for its prior actions.

(b) CONFIRMATION OF PLAN DOES NOT PROVIDE FOR DISCHARGE OF CERTAIN DEBTS ARISING FROM TOBACCO-RELATED LITIGATION.—Section 1141(d) of title 11, United States Code, as amended by section 708 of this Act, is amended by adding at the end the following:

''(6)(A) The confirmation of a plan does not discharge a debtor that is a covered corporation from any debt arising under the applicable tobacco settlement.

''(B) In this paragraph:

''(i) The term 'covered corporation' means any manufacturer of a tobacco product (as determined under an applicable tobacco settlement) and its parent corporation, as of the date of the execution of the applicable tobacco settlement.

''(ii) The term 'tobacco settlement' means—

''(I) the Master Settlement Agreement and the Smokeless Tobacco Master Settlement Agreement executed by the applicable State Attorneys General on November 23, 1998, and any subsequent amendments thereto;

''(II) the separate settlement agreements executed by the Attorneys General of the States of Florida, Minnesota, Mississippi, and Texas in 1997 and 1998, concerning their litigation against the tobacco industry; and

''(III) the National Tobacco Growers Settlement Trust executed by the applicable State Attorneys General.

''(iii) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.''.

VETERANS' MILLENNIUM HEALTH CARE ACT

SPECTER AMENDMENT NO. 2541

Mr. DOMENICI (for Mr. SPECTER) proposed an amendment to the bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans Benefits Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—MEDICAL CARE

Subtitle A—Long-Term Care

Sec. 101. Continuum of care for veterans.
Sec. 102. Pilot programs relating to long-term care of veterans.
Sec. 103. Pilot program relating to assisted living services.

Subtitle B—Management of Medical Facilities and Property

Sec. 111. Enhanced-use lease authority.
Sec. 112. Designation of hospital bed replacement building at Department of Veterans Affairs Medical Center in Reno, Nevada, after Jack Streeter.

Subtitle C—Other Health Care Provisions

Sec. 121. Emergency health care in non-Department of Veterans Affairs facilities for enrolled veterans.
Sec. 122. Improvement of specialized mental health services for veterans.
Sec. 123. Treatment and services for drug or alcohol dependency.
Sec. 124. Allocation to Department of Veterans Affairs health care facilities of amounts in Medical Care Collections Fund.
Sec. 125. Extension of certain Persian Gulf War authorities.
Sec. 126. Report on coordination of procurement of pharmaceuticals and medical supplies by the Department of Veterans Affairs and the Department of Defense.
Sec. 127. Reimbursement of medical expenses of veterans located in Alaska.
Sec. 128. Repeal of four-year limitation on terms of Under Secretary for Health and Under Secretary for Benefits.

Subtitle D—Major Medical Facility Projects Construction Authorizations

Sec. 131. Authorization of major medical facility projects.

TITLE II—BENEFITS MATTERS

Subtitle A—Homeless Veterans

Sec. 201. Extension of program of housing assistance for homeless veterans.
Sec. 202. Homeless veterans comprehensive service programs.
Sec. 203. Authorizations of appropriations for homeless veterans' reintegration projects.
Sec. 204. Report on implementation of General Accounting Office recommendations regarding performance measures.

Subtitle B—Other Matters

Sec. 211. Payment rate of certain burial benefits for certain Filipino veterans.
Sec. 212. Extension of authority to maintain a regional office in the Republic of the Philippines.
Sec. 213. Extension of Advisory Committee on Minority Veterans.
Sec. 214. Dependency and indemnity compensation for surviving spouses of former prisoners of war.
Sec. 215. Repeal of limitation on payments of benefits to incompetent institutionalized veterans.
Sec. 216. Clarification of veterans employment opportunities.

TITLE III—EDUCATION MATTERS

Sec. 301. Short title.
Sec. 302. Availability of Montgomery GI Bill benefits for preparatory courses for college and graduate school entrance exams.
Sec. 303. Increase in basic benefit of active duty educational assistance.
Sec. 304. Increase in rates of survivors and dependents educational assistance.
Sec. 305. Increased active duty educational assistance benefit for contributing members.
Sec. 306. Continuing eligibility for educational assistance of members of the Armed Forces attending officer training school.
Sec. 307. Eligibility of members of the Armed Forces to withdraw elections not to receive Montgomery GI Bill basic educational assistance.
Sec. 308. Accelerated payments of basic educational assistance.
Sec. 309. Veterans education and vocational training benefits provided by the States.

TITLE IV—MEMORIAL AFFAIRS

Subtitle A—Arlington National Cemetery

Sec. 401. Short title.
Sec. 402. Persons eligible for burial in Arlington National Cemetery.
Sec. 403. Persons eligible for placement in the columbarium in Arlington National Cemetery.

Subtitle B—Other Memorial Matters

Sec. 411. Establishment of additional national cemeteries.
Sec. 412. Use of flat grave markers at Santa Fe National Cemetery, New Mexico.

Subtitle C—World War II Memorial

Sec. 421. Short title.
Sec. 422. Fund raising by American Battle Monuments Commission for World War II Memorial.
Sec. 423. General authority of American Battle Monuments Commission to solicit and receive contributions.
Sec. 424. Intellectual property and related items.

TITLE V—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

Sec. 501. Temporary service of certain judges of United States Court of Appeals for Veterans Claims upon expiration of their terms or retirement.
Sec. 502. Modified terms for certain judges of United States Court of Appeals for Veterans Claims.
Sec. 503. Temporary authority for voluntary separation incentives for certain judges on United States Court of Appeals for Veterans Claims.
Sec. 504. Definition.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—MEDICAL CARE

Subtitle A—Long-Term Care

SEC. 101. CONTINUUM OF CARE FOR VETERANS.

(a) INCLUSION OF NONINSTITUTIONAL EXTENDED CARE SERVICES IN DEFINITION OF MEDICAL SERVICES.—Section 1701 is amended—

(1) in paragraph (6)(A)(i), by inserting ''noninstitutional extended care services,'' after ''preventive health services,''; and

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

''(10) The term 'noninstitutional extended care services' includes—

''(A) home-based primary care;

''(B) adult day health care;

''(C) respite care;

''(D) palliative and end-of-life care; and

''(E) home health aide visits.

''(11) The term 'respite care' means hospital care, nursing home care, or residence-based care which—

''(A) is of limited duration;

''(B) is furnished in a Department facility or in the residence of an individual on an intermittent basis to an individual who is suffering from a chronic illness and who resides primarily at that residence; and

''(C) is furnished for the purpose of helping the individual to continue residing primarily at that residence.''.

(b) CONFORMING AMENDMENTS TO TITLE 38.—(1)(A) Section 1720 is amended by striking subsection (f).

(B) The section heading of such section is amended by striking ''**; adult day health care**''.

(2) Section 1720B is repealed.

(3) Chapter 17 is further amended by redesignating sections 1720C, 1720D, and 1720E as sections 1720B, 1720C, and 1720D, respectively.

(c) CLERICAL AMENDMENTS.—The table of sections for chapter 17 is amended—

(1) in the item relating to section 1720, by striking ''; adult day health care''; and

(2) by striking the items relating to sections 1720B, 1720C, 1720D, and 1720E and inserting the following:

''1720B. Noninstitutional alternatives to nursing home care.
''1720C. Counseling and treatment for sexual trauma.
''1720D. Nasopharyngeal radium irradiation.''.

(d) ADDITIONAL CONFORMING AMENDMENT.—Section 101(g)(2) of the Veterans Health Programs Extension Act of 1994 (Public Law 103–452; 108 Stat. 4785; 38 U.S.C. 1720D note) is amended by striking ''section 1720D'' both places it appears and inserting ''section 1720C''.

SEC. 102. PILOT PROGRAMS RELATING TO LONG-TERM CARE OF VETERANS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall carry out three pilot programs for the purpose of determining the feasibility and practicability of a variety of methods of meeting the long-term care needs of eligible veterans. The pilot programs shall be carried out in accordance with the provisions of this section.

(b) LOCATIONS OF PILOT PROGRAMS.—(1) Each pilot program under this section shall be carried out in two designated health care regions of the Department of Veterans Affairs selected by the Secretary for purposes of this section.

(2) In selecting designated health care regions of the Department for purposes of a particular pilot program, the Secretary shall, to the maximum extent practicable, select designated health care regions containing a medical center or medical centers whose current circumstances and activities most closely mirror the circumstances and activities proposed to be achieved under such pilot program.

(3) The Secretary may not carry out more than one pilot program in any given designated health care region of the Department.

(c) SCOPE OF SERVICES UNDER PILOT PROGRAMS.—(1) The services provided under the pilot programs under this section shall include a comprehensive array of health care services and other services that meet the long-term care needs of veterans, including—

(A) inpatient long-term care in intermediate care beds, in nursing homes, and in domiciliary care facilities; and

(B) non-institutional long-term care, including hospital-based primary care, adult day health care, respite care, and other community-based interventions and care.

(2) As part of the provision of services under the pilot programs, the Secretary shall also provide appropriate case management services.

(3) In providing services under the pilot programs, the Secretary shall emphasize the provision of preventive care services, including screening and education.

(4) The Secretary may provide health care services or other services under the pilot programs only if the Secretary is otherwise authorized to provide such services by law.

(d) DIRECT PROVISION OF SERVICES.—Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans directly through facilities and personnel of the Department of Veterans Affairs.

(e) PROVISION OF SERVICES THROUGH COOPERATIVE ARRANGEMENTS.—(1) Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans through a combination (as determined by the Secretary) of—

(A) services provided under cooperative arrangements with appropriate public and private non-Governmental entities, including community service organizations; and

(B) services provided through facilities and personnel of the Department.

(2) The consideration provided by the Secretary for services provided by entities under cooperative arrangements under paragraph (1)(A) shall be limited to the provision by the Secretary of appropriate in-kind services to such entities.

(f) PROVISION OF SERVICES BY NON-DEPARTMENT ENTITIES.—(1) Under one of the pilot programs under this section, the Secretary shall provide long-term care services to eligible veterans through arrangements with appropriate non-Department entities under which arrangements the Secretary acts solely as the case manager for the provision of such services.

(2) Payment for services provided to veterans under the pilot programs under this subsection shall be made by the Department to the extent that payment for such services is not otherwise provided by another government or non-government entity.

(g) DATA COLLECTION.—As part of the pilot programs under this section, the Secretary shall collect data regarding—

(1) the cost-effectiveness of such programs and of other activities of the Department for purposes of meeting the long-term care needs of eligible veterans, including any cost advantages under such programs and activities when compared with the Medicare program, Medicaid program, or other Federal program serving similar populations;

(2) the quality of the services provided under such programs and activities;

(3) the satisfaction of participating veterans, non-Department, and non-Government entities with such programs and activities; and

(4) the effect of such programs and activities on the ability of veterans to carry out basic activities of daily living over the course of such veterans' participation in such programs and activities.

(h) REPORT.—(1) Not later than six months after the completion of the pilot programs under subsection (i), the Secretary shall submit to Congress a report on the health services and other services furnished by the Department to meet the long-term care needs of eligible veterans.

(2) The report under paragraph (1) shall—

(A) describe the comprehensive array of health services and other services furnished by the Department under law to meet the long-term care needs of eligible veterans, including—

(i) inpatient long-term care in intermediate care beds, in nursing homes, and in domiciliary care facilities; and

(ii) non-institutional long-term care, including hospital-based primary care, adult day health care, respite care, and other community-based interventions and care;

(B) describe the case management services furnished as part of the services described in subparagraph (A) and assess the role of such case management services in ensuring that eligible veterans receive services to meet their long-term care needs; and

(C) in describing services under subparagraphs (A) and (B), emphasize the role of preventive services in the furnishing of such services.

(i) DURATION OF PROGRAMS.—(1) The Secretary shall commence carrying out the pilot programs required by this section not later than 90 days after the date of the enactment of this Act.

(2) The authority of the Secretary to provide services under the pilot programs shall cease on the date that is three years after the date of the commencement of the pilot programs under paragraph (1).

(j) DEFINITIONS.—In this section:

(1) ELIGIBLE VETERAN.—The term ''eligible veteran'' means the following:

(A) Any veteran eligible to receive hospital care and medical services under section 1710(a)(1) of title 38, United States Code.

(B) Any veteran (other than a veteran described in subparagraph (A)) if the veteran is enrolled in the system of annual patient enrollment under section 1705 of title 38, United States Code.

(2) LONG-TERM CARE NEEDS.—The term ''long-term care needs'' means the need by an individual for any of the following services:

(A) Hospital care.

(B) Medical services.

(C) Nursing home care.

(D) Case management and other social services.

(E) Home and community based services.

SEC. 103. PILOT PROGRAM RELATING TO ASSISTED LIVING SERVICES.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall carry out a pilot program for the purpose of determining the feasibility and practicability of providing assisted living services to eligible veterans. The pilot program shall be carried out in accordance with this section.

(b) LOCATION.—The pilot program under this section shall be carried out at a designated health care region of the Department of Veterans Affairs selected by the Secretary for purposes of this section.

(c) SCOPE OF SERVICES.—(1) Subject to paragraph (2), the Secretary shall provide assisted living services under the pilot program to eligible veterans.

(2) Assisted living services may not be provided under the pilot program to a veteran eligible for care under section 1710(a)(3) of title 38, United States Code, unless such veteran agrees to pay the United States an amount equal to the amount determined in accordance with the provisions of section 1710(f) of such title.

(3) Assisted living services may also be provided under the pilot program to the spouse of an eligible veteran if—

(A) such services are provided coincidentally with the provision of identical services to the veteran under the pilot program; and

(B) such spouse agrees to pay the United States an amount equal to the cost, as determined by the Secretary, of the provision of such services.

(d) REPORTS.—(1) The Secretary shall annually submit to Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the pilot program under this section. The report shall include a detailed description of the activities under the pilot program during the one-year period ending on the date of the report and such other matters as the Secretary considers appropriate.

(2)(A) In addition to the reports required by paragraph (1), not later than 90 days before concluding the pilot program under this section, the Secretary shall submit to the committees referred to in that paragraph a final report on the pilot program.

(B) The report on the pilot program under this paragraph shall include the following:

(i) An assessment of the feasibility and practicability of providing assisted living services for veterans and their spouses.

(ii) A financial assessment of the pilot program, including a management analysis, cost-benefit analysis, Department cash-flow analysis, and strategic outlook assessment.

(iii) Recommendations, if any, regarding an extension of the pilot program, including recommendations regarding the desirability of authorizing or requiring the Secretary to seek reimbursement for the costs of the Secretary in providing assisted living services in order to reduce demand for higher-cost nursing home care under the pilot program.

(iv) Any other information or recommendations that the Secretary considers appropriate regarding the pilot program.

(e) DURATION.—(1) The Secretary shall commence carrying out the pilot program required by this section not later than 90 days after the date of the enactment of this Act.

(2) The authority of the Secretary to provide services under the pilot program shall cease on the date that is three years after the date of the commencement of the pilot program under paragraph (1).

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE VETERAN.—The term ''eligible veteran'' means the following:

(A) Any veteran eligible to receive hospital care and medical services under section 1710(a)(1) of title 38, United States Code.

(B) Any veteran (other than a veteran described in subparagraph (A)) if the veteran is enrolled in the system of annual patient enrollment under section 1705 of title 38, United States Code.

(2) ASSISTED LIVING SERVICES.—The term ''assisted living services'' means services which provide personal care, activities, health-related care, supervision, and other assistance on a 24-hour basis within a residential or similar setting which—

(A) maximizes flexibility in the provision of such care, activities, supervision, and assistance;

(B) maximizes the autonomy, privacy, and independence of an individual; and

(C) encourages family and community involvement with the individual.

Subtitle B—Management of Medical Facilities and Property

SEC. 111. ENHANCED-USE LEASE AUTHORITY.

(a) MAXIMUM TERM OF LEASES.—Section 8162(b)(2) is amended by striking ''may not exceed—'' and all that follows through the end and inserting ''may not exceed 55 years.''.

(b) AVAILABILITY OF FUNDS FOR CERTAIN ACTIVITIES RELATING TO LEASES.—Section 8162(b)(4) is amended—

(1) by inserting ''(A)'' after ''(4)'';

(2) in subparagraph (A), as so designated—

(A) in the first sentence, by striking ''only''; and

(B) by striking the second sentence; and

(3) by adding at the end the following new subparagraph:

''(B) Any payment by the Secretary in contribution to capital activities on property that has been leased under this subchapter may be made from amounts appropriated to the Department for construction, minor projects.''.

(c) EXTENSION OF AUTHORITY.—Section 8169 is amended by striking ''December 31, 2001'' and inserting ''December 31, 2011''.

(d) TRAINING AND OUTREACH REGARDING AUTHORITY.—The Secretary of Veterans Affairs shall take appropriate actions to provide training and outreach to personnel at Department of Veterans Affairs medical centers regarding the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code. The training and outreach shall address methods of approaching potential lessees in the medical or commercial sectors regarding the possibility of entering into leases under that authority and other appropriate matters.

(e) INDEPENDENT ANALYSIS OF OPPORTUNITIES FOR USE OF AUTHORITY.—(1) The Secretary shall take appropriate actions to secure from an appropriate entity independent of the Department of Veterans Affairs an analysis of opportunities for the use of the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code.

(2) The analysis under paragraph (1) shall include—

(A) a survey of the facilities of the Department for purposes of identifying Department property that presents an opportunity for lease under the enhanced-use lease authority;

(B) an assessment of the feasibility of entering into enhanced-use leases under that authority in the case of any property identified under subparagraph (A) as presenting an opportunity for such lease; and

(C) an assessment of the resources required at the Department facilities concerned, and at the Department Central Office, in order to facilitate the entering into of enhanced-used leases in the case of property so identified.

(3) If as a result of the survey under paragraph (2)(A) the entity determines that a particular Department property presents no opportunities for lease under the enhanced-use lease authority, the analysis shall include the entity's explanation of that determination.

(4) If as a result of the survey the entity determines that certain Department property presents an opportunity for lease under the enhanced-use lease authority, the analysis shall include a single integrated business plan, developed by the entity, that addresses the strategy and resources necessary to implement the plan for all property determined to present an opportunity for such lease.

(f) AUTHORITY FOR ENHANCED-USE LEASE OF PROPERTY UNDER BUSINESS PLAN.—(1) The Secretary may enter into an enhanced-use lease of any property identified as presenting an opportunity for such lease under the analysis under subsection (e) if such lease is consistent with the business plan under paragraph (4) of that subsection.

(2) The provisions of subchapter V of chapter 81 of title 38, United States Code, shall apply with respect to any lease under paragraph (1).

SEC. 112. DESIGNATION OF HOSPITAL BED REPLACEMENT BUILDING AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER IN RENO, NEVADA, AFTER JACK STREETER.

The hospital bed replacement building under construction at the Ioannis A. Lougaris Department of Veterans Affairs Medical Center in Reno, Nevada, is hereby designated as the ''Jack Streeter Building''. Any reference to that building in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Jack Streeter Building.

Subtitle C—Other Health Care Provisions

SEC. 121. EMERGENCY HEALTH CARE IN NON-DEPARTMENT OF VETERANS AFFAIRS FACILITIES FOR ENROLLED VETERANS.

(a) DEFINITIONS.—Section 1701 is amended—

(1) in paragraph (6)—

(A) by striking ''and'' at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) emergency care, or reimbursement for such care, as described in sections 1703(a)(3) and 1728(a)(2)(E) of this title.''; and

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

''(10) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

''(A) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;

''(B) serious impairment to bodily functions; or

''(C) serious dysfunction of any bodily organ or part.''.

(b) CONTRACT CARE.—Section 1703(a)(3) is amended by striking ''medical emergencies'' and all that follows through ''health of a veteran'' and inserting ''an emergency medical condition of a veteran who is enrolled under section 1705 of this title or who is''.

(c) REIMBURSEMENT OF EXPENSES FOR EMERGENCY CARE.—Section 1728(a)(2) is amended—

(1) by striking ''or'' before ''(D)''; and

(2) by inserting before the semicolon at the end the following: '', or (E) for any emergency medical condition of a veteran enrolled under section 1705 of this title''.

(d) PAYMENT PRIORITY.—Section 1705 is amended by adding at the end the following new subsection:

''(d) The Secretary shall require in a contract under section 1703(a)(3) of this title, and as a condition of payment under section 1728(a)(2) of this title, that payment by the Secretary for treatment under such contract, or under such section, of a veteran enrolled under this section shall be made only after any payment that may be made with respect to such treatment under part A or part B of the Medicare program and after any payment that may be made with respect to such treatment by a third-party insurance provider.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to care or services provided on or after the date of the enactment of this Act.

SEC. 122. IMPROVEMENT OF SPECIALIZED MENTAL HEALTH SERVICES FOR VETERANS.

(a) IN GENERAL.—(1) Subchapter II of chapter 17 is amended by inserting after section 1712B the following new section:

''§ 1712C. Specialized mental health services

''(a) The Secretary shall carry out programs for purposes of enhancing the provision of specialized mental health services to veterans.

''(b) The programs carried out by the Secretary under subsection (a) shall include the following:

''(1) Programs relating to the treatment of Post Traumatic Stress Disorder (PTSD), including programs for—

''(A) the establishment and operation of additional outpatient and residential treatment facilities for Post Traumatic Stress Disorder in areas that are underserved by existing programs relating to Post Traumatic Stress Disorder, as determined by qualified mental health personnel of the Department who oversee such programs;

''(B) the provision of services in response to the specific needs of veterans with Post Traumatic Stress Disorder and related disorders, including short-term or long-term care services that combine residential treatment of Post Traumatic Stress Disorder;

''(C) the provision of Post Traumatic Stress Disorder or dedicated case management services on an outpatient basis; and

''(D) the enhancement of staffing of existing programs relating to Post Traumatic Stress Disorder which have exceeded the projected workloads for such programs.

''(2) Programs relating to substance use disorders, including programs for—

''(A) the establishment and operation of additional Department-based or community-based residential treatment facilities;

''(B) the expansion of the provision of opioid treatment services, including the establishment and operation of additional programs for the provision of opioid treatment services; and

''(C) the reestablishment or enhancement of substance use disorder services at facilities at which such services have been eliminated or curtailed, with an emphasis on the reestablishment or enhancement of services at facilities where demand for such services is high or which serve large geographic areas.

''(c)(1) The Secretary shall provide for the allocation of funds for the programs carried out under this section in a centralized manner.

''(2) The allocation of funds for such programs shall—

''(A) be based upon an assessment of the need for funds conducted by qualified mental health personnel of the Department who oversee such programs; and

''(B) emphasize, to the maximum extent practicable, the availability of funds for the programs described in paragraphs (1) and (2) of subsection (b).''.

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1712B the following new item:

''1712C. Specialized mental health services.''.

(b) REPORT.—(1) Not later than March 1 of each of 2000, 2001, and 2002, the Secretary of Veterans Affairs shall submit to Congress a report on the programs carried out by the Secretary under section 1712C of title 38, United States Code (as added by subsection (a)).

(2) The report shall, for the period beginning on the date of the enactment of this Act and ending on the date of the report—

(A) describe the programs carried out under such section 1712C;

(B) set forth the number of veterans provided services under such programs; and

(C) set forth the amounts expended for purposes of carrying out such programs.

SEC. 123. TREATMENT AND SERVICES FOR DRUG OR ALCOHOL DEPENDENCY.

Section 1720A(c) is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking ''may not be transferred'' and inserting ''may be transferred''; and

(B) by striking ''unless such transfer is during the last thirty days of such member's enlistment or tour of duty''; and

(2) in the first sentence of paragraph (2), by striking ''during the last thirty days of such person's enlistment period or tour of duty''.

SEC. 124. ALLOCATION TO DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FACILITIES OF AMOUNTS IN MEDICAL CARE COLLECTIONS FUND.

Section 1729A(d) is amended—

(1) by striking ''(1)'';

(2) by striking ''each designated health care region'' and inserting ''each Department health care facility'';

(3) by striking ''each region'' and inserting ''each facility'';

(4) by striking ''such region'' both places it appears and inserting ''such facility''; and

(4) by striking paragraph (2).

SEC. 125. EXTENSION OF CERTAIN PERSIAN GULF WAR AUTHORITIES.

(a) THREE-YEAR EXTENSION OF NEWSLETTER ON MEDICAL CARE.—Section 105(b)(2) of the Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 108 Stat. 4659; 38 U.S.C. 1117 note) is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

(b) THREE-YEAR EXTENSION OF PROGRAM FOR EVALUATION OF HEALTH OF SPOUSES AND CHILDREN.—Section 107(b) of Persian Gulf War Veterans' Benefits Act (title I of Public Law 103–446; 38 U.S.C. 1117 note) is amended by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

SEC. 126. REPORT ON COORDINATION OF PROCUREMENT OF PHARMACEUTICALS AND MEDICAL SUPPLIES BY THE DEPARTMENT OF VETERANS AFFAIRS AND THE DEPARTMENT OF DEFENSE.

(a) REQUIREMENT.—Not later than March 31, 2000, the Secretary of Veterans Affairs and the Secretary of Defense shall jointly submit to the Committees on Veterans' Affairs and Armed Services of the Senate and the Committees on Veterans' Affairs and Armed Services of the House of Representatives a report on the cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) A description of the current cooperation between the Department of Veterans Affairs and the Department of Defense in the procurement of pharmaceuticals and medical supplies.

(2) An assessment of the means by which cooperation between the departments in such procurement could be enhanced or improved.

(3) A description of any existing memoranda of agreement between the Department of Veterans Affairs and the Department of Defense that provide for the cooperation referred to in subsection (a).

(4) A description of the effects, if any, such agreements will have on current staffing levels at the Defense Supply Center in Philadelphia, Pennsylvania, and the Department of Veterans Affairs National Acquisition Center in Hines, Illinois.

(5) A description of the effects, if any, of such cooperation on military readiness.

(6) A comprehensive assessment of cost savings realized and projected over the five fiscal year period beginning in fiscal year 1999 for the Department of Veterans Affairs and the Department of Defense as a result of such cooperation, and the overall savings to the Treasury of the United States as a result of such cooperation.

(7) A list of the types of medical supplies and pharmaceuticals for which cooperative agreements would not be appropriate and the reason or reasons therefor.

(8) An assessment of the extent to which cooperative agreements could be expanded to include medical equipment, major systems, and durable goods used in the delivery of health care by the Department of Veterans Affairs and the Department of Defense.

(9) A description of the effects such agreements might have on distribution of items purchased cooperatively by the Department of Veterans Affairs and the Department of Defense, particularly outside the continental United States.

(10) An assessment of the potential to establish common pharmaceutical formularies between the Department of Veterans Affairs and the Department of Defense.

(11) An explanation of the current Uniform Product Number (UPN) requirements of each Department and of any planned standardization of such requirements between the Departments for medical equipment and durable goods manufacturers.

SEC. 127. REIMBURSEMENT OF MEDICAL EXPENSES OF VETERANS LOCATED IN ALASKA.

(a) PRESERVATION OF CURRENT REIMBURSEMENT RATES.—Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall, for purposes of reimbursing veterans in Alaska for medical expenses under section 1728 of title 38, United States Code, during the one-year period beginning on the date of the enactment of this Act, use the fee-for-service payment schedule in effect for such purposes on July 31, 1999, rather than the Participating Physician Fee Schedule under the Medicare program.

(b) REPORT.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs and the Secretary of Health and Human Services shall jointly submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report and recommendation on the use of the Participating Physician Fee Schedule under the Medicare program as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

(2) The report shall—

(A) assess the differences between health care costs in Alaska and health care costs in the continental United States;

(B) describe any differences between the costs of providing health care in Alaska and the reimbursement rates for the provision of health care under the Participating Physician Fee Schedule; and

(C) assess the effects on health care for veterans in Alaska of implementing the Participating Physician Fee Schedule as a means of calculating reimbursement rates for medical expenses of veterans located in Alaska under section 1728 of title 38, United States Code.

SEC. 128. REPEAL OF FOUR-YEAR LIMITATION ON TERMS OF UNDER SECRETARY FOR HEALTH AND UNDER SECRETARY FOR BENEFITS.

(a) UNDER SECRETARY FOR HEALTH.—Section 305 is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(b) UNDER SECRETARY FOR BENEFITS.—Section 306 is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall apply with respect to individuals appointed as Under Secretary for Health and Under Secretary for Benefits, respectively, on or after that date.

Subtitle D—Major Medical Facility Projects Construction Authorizations

SEC. 131. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Construction of a long term care facility at the Department of Veterans Affairs Medical Center, Lebanon, Pennsylvania, in an amount not to exceed $14,500,000.

(2) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Fargo, North Dakota, in an amount not to exceed $12,000,000.

(3) Construction of a surgical suite and post-anesthesia care unit at the Department of Veterans Affairs Medical Center, Kansas City, Missouri, in an amount not to exceed $13,000,000.

(4) Renovations and environmental improvements at the Department of Veterans Affairs Medical Center, Atlanta, Georgia, in an amount not to exceed $12,400,000.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2000 for the Construction, Major Projects, Account $225,500,000 for the projects authorized in subsection (a) and for the continuation of projects authorized in section 701(a) of the Veterans Programs Enhancement Act of 1998 (Public Law 105–368; 112 Stat. 3348).

(2) LIMITATION ON FISCAL YEAR 2000 PROJECTS.—The projects authorized in subsection (a) may only be carried out using—

(A) funds appropriated for fiscal year 2000 pursuant to the authorizations of appropriations in subsection (a);

(B) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2000 that remain available for obligation; and

(C) funds appropriated for Construction, Major Projects, for fiscal year 2000 for a category of activity not specific to a project.

(c) AVAILABILITY OF FUNDS FOR FISCAL YEAR 1999 PROJECTS.—Section 703(b)(1) of the Veterans Programs Enhancement Act of 1998 (112 Stat. 3349) is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) funds appropriated for fiscal year 2000 pursuant to the authorization of appropriations in section 341(b)(1) of the Veterans Benefits Act of 1999;''.

TITLE II—BENEFITS MATTERS

Subtitle A—Homeless Veterans

SEC. 201. EXTENSION OF PROGRAM OF HOUSING ASSISTANCE FOR HOMELESS VETERANS.

Section 3735(c) is amended by striking ''December 31, 1999'' and inserting ''December 31, 2001''.

SEC. 202. HOMELESS VETERANS COMPREHENSIVE SERVICE PROGRAMS.

(a) PURPOSES OF GRANTS.—Paragraph (1) of section 3(a) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by inserting '', and expanding existing programs for furnishing,'' after ''new programs to furnish''.

(b) EXTENSION OF AUTHORITY TO MAKE GRANTS.—Paragraph (2) of that section is amended by striking ''September 30, 1999'' and inserting ''September 30, 2001''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 12 of that Act (38 U.S.C. 7721 note) is amended in the first sentence by inserting ''and $50,000,000 for each of fiscal years 2000 and 2001'' after ''for fiscal years 1993 through 1997''.

SEC. 203. AUTHORIZATIONS OF APPROPRIATIONS FOR HOMELESS VETERANS' REINTEGRATION PROJECTS.

Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C.

11448(e)(1) is amended by adding at the end the following:

''(H) $10,000,000 for fiscal year 2000.

''(I) $10,000,000 for fiscal year 2001.''.

SEC. 204. REPORT ON IMPLEMENTATION OF GENERAL ACCOUNTING OFFICE RECOMMENDATIONS REGARDING PERFORMANCE MEASURES.

(a) REPORT.—Not later than three months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for the evaluation by the Department of Veterans Affairs of the effectiveness of programs to assist homeless veterans.

(b) OUTCOME MEASURES.—The plan shall include outcome measures which determine whether veterans are housed and employed within six months after housing and employment are secured for veterans under such programs.

Subtitle B—Other Matters

SEC. 211. PAYMENT RATE OF CERTAIN BURIAL BENEFITS FOR CERTAIN FILIPINO VETERANS.

(a) PAYMENT RATE.—Section 107 is amended—

(1) in subsection (a), by striking ''Payments'' and inserting ''Subject to subsection (c), payments''; and

(2) by adding at the end the following:

''(c)(1) In the case of an individual described in paragraph (2), payments under section 2302 or 2303 of this title by reason of subsection (a)(3) shall be made at the rate of $1 for each dollar authorized.

''(2) Paragraph (1) applies to any individual whose service is described in subsection (a) and who dies after the date of the enactment of the Veterans Benefits Act of 1999 if the individual, on the individual's date of death—

''(A) is a citizen of the United States;

''(B) is residing in the United States; and

''(C) either—

''(i) is receiving compensation under chapter 11 of this title; or

''(ii) if such service had been deemed to be active military, naval, or air service, would have been paid pension under section 1521 of this title without denial or discontinuance by reason of section 1522 of this title.''.

(b) APPLICABILITY.—No benefits shall accrue to any person for any period before the date of the enactment of this Act by reason of the amendments made by subsection (a).

SEC. 212. EXTENSION OF AUTHORITY TO MAINTAIN A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 315(b) is amended by striking ''December 31, 1999'' and inserting ''December 31, 2004''.

SEC. 213. EXTENSION OF ADVISORY COMMITTEE ON MINORITY VETERANS.

Section 544(e) is amended by striking ''December 31, 1999'' and inserting ''December 31, 2004''.

SEC. 214. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES OF FORMER PRISONERS OF WAR.

(a) ELIGIBILITY.—Section 1318(b) is amended—

(1) by striking ''that either—'' in the matter preceding paragraph (1) and inserting ''rated totally disabling if—''; and

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

''(3) the veteran was a former prisoner of war who died after September 30, 1999, and whose disability was continuously rated totally disabling for a period of one year immediately preceding death.''.

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (1)—

(A) by inserting ''the disability'' after ''(1)''; and

(B) by striking ''or'' after ''death;''; and

(2) in paragraph (2)—

(A) by striking ''if so rated for a lesser period, was so rated continuously'' and inserting ''the disability was continuously rated totally disabling''; and

(B) by striking the period at the end and inserting ''; or''.

SEC. 215. REPEAL OF LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT INSTITUTIONALIZED VETERANS.

Section 5503 is amended—

(1) by striking subsections (b) and (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

SEC. 216. CLARIFICATION OF VETERANS EMPLOYMENT OPPORTUNITIES.

(a) CLARIFICATION.—Section 3304(f) of title 5, United States Code, is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following new paragraph (2):

''(2) If selected, a preference eligible or veteran described in paragraph (1) shall acquire competitive status and shall receive a career or career-conditional appointment, as appropriate.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the amendment made to section 3304 of title 5, United States Code, by section 2 of the Veterans Employment Opportunities Act of 1998 (Public Law 105–339; 112 Stat. 3182), to which such amendments relate.

TITLE III—EDUCATION MATTERS

SEC. 301. SHORT TITLE.

This title may be cited as the ''All-Volunteer Force Educational Assistance Programs Improvements Act of 1999''.

SEC. 302. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS.

Section 3002(3) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) includes—

''(i) a preparatory course for a test that is required or utilized for admission to an institution of higher education; and

''(ii) a preparatory course for a test that is required or utilized for admission to a graduate school; and''.

SEC. 303. INCREASE IN BASIC BENEFIT OF ACTIVE DUTY EDUCATIONAL ASSISTANCE.

(a) INCREASE IN BASIC BENEFIT.—Section 3015 is amended—

(1) in subsection (a)(1), by striking ''$528'' and inserting ''$600''; and

(2) in subsection (b)(1), by striking ''$429'' and inserting ''$488''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to educational assistance allowances paid for months after September 1999. However, no adjustment in rates of educational assistance shall be made under section 3015(g) of title 38, United States Code, for fiscal year 2000.

SEC. 304. INCREASE IN RATES OF SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.

(a) SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)(1)—

(A) by striking ''$485'' and inserting ''$550'';

(B) by striking ''$365'' and inserting ''$414''; and

(C) by striking ''$242'' and inserting ''$274'';

(2) in subsection (a)(2), by striking ''$485'' and inserting ''$550'';

(3) in subsection (b), by striking ''$485'' and inserting ''$550''; and

(4) in subsection (c)(2)—

(A) by striking ''$392'' and inserting ''$445'';

(B) by striking ''$294'' and inserting ''$333''; and

(C) by striking ''$196'' and inserting ''$222''.

(b) CORRESPONDENCE COURSE.—Section 3534(b) is amended by striking ''$485'' and inserting ''$550''.

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking ''$485'' and inserting ''$550'';

(2) by striking ''$152'' each place it appears and inserting ''$172''; and

(3) by striking ''$16.16'' and inserting ''$18.35''.

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended—

(1) by striking ''$353'' and inserting ''$401'';

(2) by striking ''$264'' and inserting ''$299'';

(3) by striking ''$175'' and inserting ''$198''; and

(4) by striking ''$88'' and inserting ''$99''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999, and shall apply with respect to educational assistance paid for months after September 1999.

SEC. 305. INCREASED ACTIVE DUTY EDUCATIONAL ASSISTANCE BENEFIT FOR CONTRIBUTING MEMBERS.

(a) AUTHORITY TO MAKE CONTRIBUTIONS FOR INCREASED ASSISTANCE AMOUNT.—(1) Section 3011 is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

''(i)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (c)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (b).

''(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

''(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed $600. Such contributions shall be made in multiples of $4.

''(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this subsection into the Treasury as miscellaneous receipts.''.

(2) Section 3012 is amended—

(A) by redesignating subsection (g) as subsection (h); and

(B) by inserting after subsection (f) the following new subsection (g):

''(g)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (d)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (c).

''(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

''(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed $600. Such contributions shall be made in multiples of $4.

''(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this subsection into the Treasury as miscellaneous receipts.''.

(b) INCREASED ASSISTANCE AMOUNT.—Section 3015, as amended by section 303 of this Act, is further amended—

(1) by striking ''subsection (g)'' each place it appears in subsections (a)(1) and (b)(1) and inserting ''subsection (h)'';

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection (g):

''(g) In the case of an individual who has made contributions authorized by section 3011(i) or 3012(g) of this title, the monthly amount of basic educational assistance allowance applicable to such individual under subsection (a), (b), or (c) shall be the monthly rate otherwise provided for under the applicable subsection increased by—

''(1) an amount equal to $1 for each $4 contributed by such individual under section 3011(i) or 3012(g), as the case may be, for an approved program of education pursued on a full-time basis; or

''(2) an appropriately reduced amount based on the amount so contributed, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000.

SEC. 306. CONTINUING ELIGIBILITY FOR EDUCATIONAL ASSISTANCE OF MEMBERS OF THE ARMED FORCES ATTENDING OFFICER TRAINING SCHOOL.

Section 3011(a)(1) is amended—

(1) in subparagraph (A)(ii)—

(A) by striking ''or (III)'' and inserting ''(III)''; and

(B) by inserting before the semicolon at the end the following: ''or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer''; and

(2) in subparagraph (B)(ii)—

(A) by striking '', or (III)'' and inserting ''; (III)''; and

(B) by inserting before the semicolon at the end the following: ''or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer''.

SEC. 307. ELIGIBILITY OF MEMBERS OF THE ARMED FORCES TO WITHDRAW ELECTIONS NOT TO RECEIVE MONTGOMERY GI BILL BASIC EDUCATIONAL ASSISTANCE.

(a) MEMBERS ON ACTIVE DUTY.—Section 3011(c) is amended by adding at the end the following:

''(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from active duty in the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

''(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

''(C)(i) In the case of an individual who withdraws an election under this paragraph—

''(I) the basic pay of the individual shall be reduced by $100 for each month after the month in which the election is made until the total amount of such reductions equals $1,500; or

''(II) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty in the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between $1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from active duty in the Armed Forces.

''(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from active duty in the Armed Forces an amount equal to the total amount of the reduction in basic pay otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay of the individual under that clause at the time of the payment under this clause.

''(iii) The second sentence of subsection (b) shall apply to any reductions in basic pay under clause (i)(I).

''(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

''(D) The withdrawal of an election under this paragraph is irrevocable.''.

(b) MEMBERS OF SELECTED RESERVE.—Section 3012(d) is amended by adding at the end the following:

''(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

''(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

''(C)(i) In the case of an individual who withdraws an election under this paragraph—

''(I) the basic pay or compensation of the individual shall be reduced by $100 for each month after the month in which the election is made until the total amount of such reductions equals $1,500; or

''(II) to the extent that basic pay or compensation is not so reduced before the individual's discharge or release from the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between $1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from the Armed Forces.

''(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from the Armed Forces an amount equal to the total amount of the reduction in basic pay or compensation otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay or compensation of the individual under that clause at the time of the payment under this clause.

''(iii) The second sentence of subsection (c) shall apply to any reductions in basic pay or compensation under clause (i)(I).

''(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

''(D) The withdrawal of an election under this paragraph is irrevocable.''.

SEC. 308. ACCELERATED PAYMENTS OF BASIC EDUCATIONAL ASSISTANCE.

Section 3014 is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

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

''(b)(1) The Secretary may make payments of basic educational assistance under this subchapter on an accelerated basis.

''(2) The Secretary may pay basic educational assistance on an accelerated basis under this subsection only to an individual entitled to payment of such assistance under this subchapter who has made a request for payment of such assistance on an accelerated basis.

''(3) In the event an adjustment under section 3015(g) of this title in the monthly rate of basic educational assistance will occur during a period for which a payment of such assistance is made on an accelerated basis under this subsection, the Secretary shall pay on an accelerated basis the amount of such assistance otherwise payable under this subchapter for the period without regard to the adjustment under that section.

''(4) For each accelerated payment made to an individual, the individual's entitlement under this subchapter shall be charged as if the individual had received a monthly educational assistance allowance for the period of educational pursuit covered by the accelerated payment.

''(5) Basic educational assistance shall be paid on an accelerated basis under this subsection as follows:

''(A) In the case of assistance for a course leading to a standard college degree, at the beginning of the quarter, semester, or term of the course in a lump-sum amount equivalent to the aggregate amount of monthly assistance otherwise payable under this subchapter for the quarter, semester, or term, as the case may be, of the course.

''(B) In the case of assistance for a course other than a course referred to in subparagraph (A)—

''(i) at the later of (I) the beginning of the course, or (II) a reasonable time after the request for payment by the individual concerned; and

''(ii) in any amount requested by the individual concerned within the limit, if any, specified in the regulations prescribed by the Secretary under paragraph (6), with such limit not to exceed the aggregate amount of monthly assistance otherwise payable under this subchapter for the period of the course.

''(6) The Secretary shall prescribe regulations for purposes of making payments of basic educational assistance on an accelerated basis under this subsection. Such regulations shall include requirements relating to the request for, making and delivery of, and receipt and use of such payments and may include a limit on the amount payable for a course under paragraph (5)(B)(ii).''.

SEC. 309. VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS PROVIDED BY THE STATES.

(a) ANNUAL REPORT.—(1) Not later than six months after the date of the enactment of this Act, and January 31 of each year thereafter, the Secretary of Veterans Affairs shall, in consultation with the Secretary of Education, the Secretary of Defense, and the Secretary of Labor, submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on veterans education and vocational training benefits provided by the States.

(2) A report under paragraph (1) shall include, for the one-year period ending on the date of the report, the following:

(A) A description of the assistance in securing post-secondary education and vocational training provided veterans by each State.

(B) A list of the States which provide veterans full or partial waivers of tuition for attending institutions of higher education that are State-supported.

(C) A description of the actions taken by the Department of Veterans Affairs, Department of Defense, Department of Education, and Department of Labor to encourage the States to provide benefits designed to assist veterans in securing post-secondary education and vocational training.

(b) SENSE OF CONGRESS REGARDING STATE VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS.—(1) Congress makes the following findings:

(A) The peace and prosperity of the citizens of the States are ensured by the voluntary service of men and women in the Armed Forces.

(B) Veterans benefit from the military training and discipline and the success-oriented attitude that are inculcated by service in the Armed Forces.

(C) It is in the social and economic interests of the States to take advantage of the positive personal attributes of veterans which are nurtured through service in the Armed Forces.

(D) A post-secondary education provides veterans the means to maximize their contribution to the society and economy of the States.

(E) Some States have recognized that it is in their interest to provide veterans post-secondary education on a tuition-free basis.

(2) It is the sense of Congress that each of the States should admit qualified veterans to publicly-supported institutions of higher education on a tuition-free basis.

(c) STATE DEFINED.—In this section, the term ''State'' has the meaning given that term in section 101(20) of title 38, United States Code.

TITLE IV—MEMORIAL AFFAIRS

Subtitle A—Arlington National Cemetery

SEC. 401. SHORT TITLE.

This subtitle may be cited as the ''Arlington National Cemetery Burial and Inurnment Eligibility Act of 1999''.

SEC. 402. PERSONS ELIGIBLE FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—(1) Chapter 24 is amended by adding at the end the following new section:

''§ 2412. Arlington National Cemetery: persons eligible for burial

''(a) PRIMARY ELIGIBILITY.—The remains of the following individuals may be buried in Arlington National Cemetery:

''(1) Any member of the Armed Forces who dies while on active duty.

''(2) Any retired member of the Armed Forces and any person who served on active duty and at the time of death was entitled (or but for age would have been entitled) to retired pay under chapter 1223 of title 10.

''(3) Any former member of the Armed Forces separated for physical disability before October 1, 1949, who—

''(A) served on active duty; and

''(B) would have been eligible for retirement under the provisions of section 1201 of title 10 (relating to retirement for disability) had that section been in effect on the date of separation of the member.

''(4) Any former member of the Armed Forces whose last active duty military service terminated honorably and who has been awarded one of the following decorations:

''(A) Medal of Honor.

''(B) Distinguished Service Cross, Air Force Cross, or Navy Cross.

''(C) Distinguished Service Medal.

''(D) Silver Star.

''(E) Purple Heart.

''(5) Any former prisoner of war who dies on or after November 30, 1993.

''(6) The President or any former President.

''(7) Any former member of the Armed Forces whose last discharge or separation from active duty was under honorable conditions and who is or was one of the following:

''(A) Vice President.

''(B) Member of Congress.

''(C) Chief Justice or Associate Justice of the Supreme Court.

''(D) The head of an Executive department (as such departments are listed in section 101 of title 5).

''(E) An individual who served in the foreign or national security services, if such individual died as a result of a hostile action outside the United States in the course of such service.

''(8) Any individual whose eligibility is authorized in accordance with subsection (b).

''(b) ADDITIONAL AUTHORIZATIONS OF BURIAL.—(1) In the case of a former member of the Armed Forces not otherwise covered by subsection (a) whose last discharge or separation from active duty was under honorable conditions, if the Secretary of Defense makes a determination referred to in paragraph (3) with respect to such member, the Secretary of Defense may authorize the burial of the remains of such former member in Arlington National Cemetery under subsection (a)(8).

''(2) In the case of any individual not otherwise covered by subsection (a) or paragraph (1), if the President makes a determination referred to in paragraph (3) with respect to such individual, the President may authorize the burial of the remains of such individual in Arlington National Cemetery under subsection (a)(8).

''(3) A determination referred to in paragraph (1) or (2) is a determination that the acts, service, or other contributions to the Nation of the former member or individual concerned are of equal or similar merit to the acts, service, or other contributions to the Nation of any of the persons listed in subsection (a).

''(4)(A) In the case of an authorization for burial under this subsection, the President or the Secretary of Defense, as the case may be, shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the authorization not later than 72 hours after the authorization.

''(B) Each report under subparagraph (A) shall—

''(i) identify the individual authorized for burial; and

''(ii) provide a justification for the authorization for burial.

''(5)(A) In the case of an authorization for burial under this subsection, the President or the Secretary of Defense, as the case may be, shall publish in the Federal Register a notice of the authorization as soon as practicable after the authorization.

''(B) Each notice under subparagraph (A) shall—

''(i) identify the individual authorized for burial; and

''(ii) provide a justification for the authorization for burial.

''(c) ELIGIBILITY OF FAMILY MEMBERS.—The remains of the following individuals may be buried in Arlington National Cemetery:

''(1)(A) Except as provided in subparagraph (B), the spouse, surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a person listed in subsection (a), but only if buried in the same gravesite as that person.

''(B) In a case under subparagraph (A) in which the same gravesite may not be used due to insufficient space, a person otherwise eligible under that subparagraph may be interred in a gravesite adjoining the gravesite of the person listed in subsection (a) if space in such adjoining gravesite had been reserved for the burial of such person otherwise eligible under that subparagraph before January 1962.

''(2)(A) The spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces on active duty if such spouse, minor child, or unmarried adult child dies while such member is on active duty.

''(B) The individual whose spouse, minor child, and unmarried adult child is eligible under subparagraph (A), but only if buried in the same gravesite as the spouse, minor child, or unmarried adult child.

''(3) The parents of a minor child or unmarried adult child whose remains, based on the eligibility of a parent, are already buried in Arlington National Cemetery, but only if buried in the same gravesite as that minor child or unmarried adult child.

''(4)(A) Subject to subparagraph (B), the surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces who was lost, buried at sea, or officially determined to be permanently absent in a status of missing or missing in action.

''(B) A person is not eligible under subparagraph (A) if a memorial to honor the memory of the member is placed in a cemetery in the national cemetery system, unless the memorial is removed. A memorial removed under this subparagraph may be placed, at the discretion of the Superintendent, in Arlington National Cemetery.

''(5) The surviving spouse, minor child, and, at the discretion of the Superintendent, unmarried adult child of a member of the Armed Forces buried in a cemetery under the jurisdiction of the American Battle Monuments Commission.

''(d) SPOUSES.—For purposes of subsection (c)(1), a surviving spouse of a person whose remains are buried in Arlington National Cemetery by reason of eligibility under subsection (a) who has remarried is eligible for burial in the same gravesite of that person. The spouse of the surviving spouse is not eligible for burial in such gravesite.

''(e) DISABLED ADULT UNMARRIED CHILDREN.—In the case of an unmarried adult child who is incapable of self-support up to the time of death because of a physical or mental condition, the child may be buried under subsection (c) without requirement for approval by the Superintendent under that subsection if the burial is in the same gravesite as the gravesite in which the parent, who is eligible for burial under subsection (a), has been or will be buried.

''(f) FAMILY MEMBERS OF PERSONS BURIED IN A GROUP GRAVESITE.—In the case of a person eligible for burial under subsection (a) who is buried in Arlington National Cemetery as part of a group burial, the surviving spouse, minor child, or unmarried adult child of the member may not be buried in the group gravesite.

''(g) EXCLUSIVE AUTHORITY FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.—Eligibility for burial of remains in Arlington National Cemetery prescribed under this section is the exclusive eligibility for such burial.

''(h) APPLICATION FOR BURIAL.—A request for burial of remains of an individual in Arlington National Cemetery made before the death of the individual may not be considered by the Secretary of the Army, the Secretary of Defense, or any other responsible official.

''(i) REGISTER OF BURIED INDIVIDUALS.—(1) The Secretary of the Army shall maintain a

register of each individual buried in Arlington National Cemetery and shall make such register available to the public.

''(2) With respect to each such individual buried on or after January 1, 1998, the register shall include a brief description of the basis of eligibility of the individual for burial in Arlington National Cemetery.

''(j) DEFINITIONS.—For purposes of this section:

''(1) The term 'retired member of the Armed Forces' means—

''(A) any member of the Armed Forces on a retired list who served on active duty and who is entitled to retired pay;

''(B) any member of the Fleet Reserve or Fleet Marine Corps Reserve who served on active duty and who is entitled to retainer pay; and

''(C) any member of a reserve component of the Armed Forces who has served on active duty and who has received notice from the Secretary concerned under section 12731(d) of title 10 of eligibility for retired pay under chapter 1223 of title 10.

''(2) The term 'former member of the Armed Forces' includes a person whose service is considered active duty service pursuant to a determination of the Secretary of Defense under section 401 of Public Law 95–202 (38 U.S.C. 106 note).

''(3) The term 'Superintendent' means the Superintendent of Arlington National Cemetery.''.

(2) The table of sections at the beginning of chapter 24 is amended by adding at the end the following new item:

''2412. Arlington National Cemetery: persons eligible for burial.''.

(b) PUBLICATION OF UPDATED PAMPHLET.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Army shall publish an updated pamphlet describing eligibility for burial in Arlington National Cemetery. The pamphlet shall reflect the provisions of section 2412 of title 38, United States Code, as added by subsection (a).

(c) TECHNICAL AMENDMENTS.—Section 2402(7) is amended—

(1) by inserting ''(or but for age would have been entitled)'' after ''was entitled'';

(2) by striking ''chapter 67'' and inserting ''chapter 1223''; and

(3) by striking ''or would have been entitled to'' and all that follows and inserting a period.

(d) EFFECTIVE DATE.—Section 2412 of title 38, United States Code, as added by subsection (a), shall apply with respect to individuals dying on or after the date of the enactment of this Act.

SEC. 403. PERSONS ELIGIBLE FOR PLACEMENT IN THE COLUMBARIUM IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—(1) Chapter 24 is amended by adding after section 2412, as added by section 402(a)(1) of this Act, the following new section:

''§ 2413. Arlington National Cemetery: persons eligible for placement in columbarium

''(a) ELIGIBILITY.—The cremated remains of the following individuals may be placed in the columbarium in Arlington National Cemetery:

''(1) A person eligible for burial in Arlington National Cemetery under section 2412 of this title.

''(2)(A) A veteran whose last period of active duty service (other than active duty for training) ended honorably.

''(B) The spouse, surviving spouse, minor child, and, at the discretion of the Superintendent of Arlington National Cemetery, unmarried adult child of such a veteran.

''(b) SPOUSE.—Section 2412(d) of this title shall apply to a spouse under this section in the same manner as it applies to a spouse under section 2412 of this title.''.

(2) The table of sections at the beginning of chapter 24 is amended by adding after section 2412, as added by section 402(a)(2) of this Act, the following new item:

''2413. Arlington National Cemetery: persons eligible for placement in columbarium.''.

(b) EFFECTIVE DATE.—Section 2413 of title 38, United States Code, as added by subsection (a), shall apply with respect to individuals dying on or after the date of the enactment of this Act.

Subtitle B—Other Memorial Matters

SEC. 411. ESTABLISHMENT OF ADDITIONAL NATIONAL CEMETERIES.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, the following:

(1) A national cemetery in the Atlanta, Georgia, metropolitan area to serve the needs of veterans and their families.

(2) A national cemetery in Southwestern Pennsylvania to serve the needs of veterans and their families.

(3) A national cemetery in the Miami, Florida, metropolitan area to serve the needs of veterans and their families.

(4) A national cemetery in the Detroit, Michigan, metropolitan area to serve the needs of veterans and their families.

(5) A national cemetery in the Sacramento, California, metropolitan area to serve the needs of veterans and their families.

(b) CONSULTATION IN SELECTION OF SITES.—Before selecting the sites for the national cemeteries to be established under subsection (a), the Secretary shall consult with—

(1) in the case of the national cemetery to be established under paragraph (1) of that subsection, appropriate officials of the State of Georgia and appropriate officials of local governments in the Atlanta, Georgia, metropolitan area;

(2) in the case of the national cemetery to be established under paragraph (2) of that subsection, appropriate officials of the State of Pennsylvania and appropriate officials of local governments in Southwestern Pennsylvania;

(3) in the case of the national cemetery to be established under paragraph (3) of that subsection, appropriate officials of the State of Florida and appropriate officials of local governments in the Miami, Florida, metropolitan area;

(4) in the case of the national cemetery to be established under paragraph (4) of that subsection, appropriate officials of the State of Michigan and appropriate officials of local governments in the Detroit, Michigan, metropolitan area;

(5) in the case of the national cemetery to be established under paragraph (5) of that subsection, appropriate officials of the State of California and appropriate officials of local governments in the Sacramento, California, metropolitan area; and

(6) appropriate officials of the United States, including the Administrator of General Services, with respect to land belonging to the United States that would be suitable as a location for the establishment of each such national cemetery.

(c) REPORT.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries under subsection (a). The report shall set forth a schedule for the establishment of each such cemetery and an estimate of the costs associated with the establishment of each such cemetery.

SEC. 412. USE OF FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY, NEW MEXICO.

(a) AUTHORITY TO USE FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY.—Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary of Veterans Affairs may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

(b) REPORT COMPARING USE OF FLAT GRAVE MARKERS AND UPRIGHT GRAVE MARKERS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report assessing the advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(2) The report under paragraph (1) shall set forth the advantages and disadvantages of the use of each type of grave marker referred to in that paragraph, and shall include criteria to be utilizing in determining whether to prefer the use of one such type of grave marker over the other.

Subtitle C—World War II Memorial

SEC. 421. SHORT TITLE.

This subtitle may be cited as the ''World War II Memorial Completion Act''.

SEC. 422. FUND RAISING BY AMERICAN BATTLE MONUMENTS COMMISSION FOR WORLD WAR II MEMORIAL.

(a) CODIFICATION OF EXISTING AUTHORITY; EXPANSION OF AUTHORITY.—(1) Chapter 21 of title 36, United States Code, is amended by adding at the end the following new section:

''§ 2113. World War II memorial in the District of Columbia

''(a) DEFINITIONS.—In this section:

''(1) The term 'World War II memorial' means the memorial authorized by Public Law 103–32 (107 Stat. 90) to be established by the American Battle Monuments Commission on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate the participation of the United States in that war.

''(2) The term 'Commission' means the American Battle Monuments Commission.

''(3) The term 'memorial fund' means the fund created by subsection (c).

''(b) SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS.—Consistent with the authority of the Commission under section 2103(e) of this title, the Commission shall solicit and accept contributions for the World War II memorial.

''(c) CREATION OF MEMORIAL FUND.—(1) There is hereby created in the Treasury a fund for the World War II memorial, which shall consist of the following:

''(A) Amounts deposited, and interest and proceeds credited, under paragraph (2).

''(B) Obligations obtained under paragraph (3).

''(C) The amount of surcharges paid to the Commission for the World War II memorial under the World War II 50th Anniversary Commemorative Coins Act.

''(D) Amounts borrowed using the authority provided under subsection (e).

''(E) Any funds received by the Commission under section 2103(l) of this title in exchange for use of, or the right to use, any mark, copyright or patent.

''(2) The Chairman of the Commission shall deposit in the memorial fund the amounts accepted as contributions under subsection (b). The Secretary of the Treasury shall credit to the memorial fund the interest on, and the proceeds from sale or redemption of, obligations held in the memorial fund.

''(3) The Secretary of the Treasury shall invest any portion of the memorial fund

that, as determined by the Chairman of the Commission, is not required to meet current expenses. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Chairman of the Commission, has a maturity suitable for the memorial fund.

''(d) USE OF MEMORIAL FUND.—The memorial fund shall be available to the Commission for—

''(1) the expenses of establishing the World War II memorial, including the maintenance and preservation amount provided for in section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b));

''(2) such other expenses, other than routine maintenance, with respect to the World War II memorial as the Commission considers warranted; and

''(3) to secure, obtain, register, enforce, protect, and license any mark, copyright or patent that is owned by, assigned to, or licensed to the Commission under section 2103(l) of this title to aid or facilitate the construction of the World War II memorial.

''(e) SPECIAL BORROWING AUTHORITY.—(1) To assure that groundbreaking, construction, and dedication of the World War II memorial are completed on a timely basis, the Commission may borrow money from the Treasury of the United States in such amounts as the Commission considers necessary, but not to exceed a total of $65,000,000. Borrowed amounts shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the month in which the obligations of the Commission are issued. The interest payments on such obligations may be deferred with the approval of the Secretary of the Treasury, but any interest payment so deferred shall also bear interest.

''(2) The borrowing of money by the Commission under paragraph (1) shall be subject to such maturities, terms, and conditions as may be agreed upon by the Commission and the Secretary of the Treasury, except that the maturities may not exceed 20 years and such borrowings may be redeemable at the option of the Commission before maturity.

''(3) The obligations of the Commission shall be issued in amounts and at prices approved by the Secretary of the Treasury. The authority of the Commission to issue obligations under this subsection shall remain available without fiscal year limitation. The Secretary of the Treasury shall purchase any obligations of the Commission to be issued under this subsection, and for such purpose the Secretary of the Treasury may use as a public debt transaction of the United States the proceeds from the sale of any securities issued under chapter 31 of title 31. The purposes for which securities may be issued under such chapter are extended to include any purchase of the Commission's obligations under this subsection.

''(4) Repayment of the interest and principal on any funds borrowed by the Commission under paragraph (1) shall be made from amounts in the memorial fund. The Commission may not use for such purpose any funds appropriated for any other activities of the Commission.

''(f) TREATMENT OF BORROWING AUTHORITY.—In determining whether the Commission has sufficient funds to complete construction of the World War II memorial, as required by section 8 of the Commemorative Works Act (40 U.S.C. 1008), the Secretary of the Interior shall consider the funds that the Commission may borrow from the Treasury under subsection (e) as funds available to complete construction of the memorial, whether or not the Commission has actually exercised the authority to borrow such funds.

''(g) VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, the Commission may accept from any person voluntary services to be provided in furtherance of the fund-raising activities of the Commission relating to the World War II memorial.

''(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, relating to compensation for work-related injuries, and chapter 171 of title 28, relating to tort claims. A volunteer who is not otherwise employed by the Federal Government shall not be considered to be a Federal employee for any other purpose by reason of the provision of such voluntary service, except that any volunteers given responsibility for the handling of funds or the carrying out of a Federal function are subject to the conflict of interest laws contained in chapter 11 of title 18, and the administrative standards of conduct contained in part 2635 of title 5, Code of Federal Regulations.

''(3) The Commission may provide for reimbursement of incidental expenses which are incurred by a person providing voluntary services under this subsection. The Commission shall determine which expenses are eligible for reimbursement under this paragraph.

''(4) Nothing in this subsection shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees.

''(h) TREATMENT OF CERTAIN CONTRACTS.—A contract entered into by the Commission for the design or construction of the World War II memorial is not a funding agreement as that term is defined in section 201 of title 35.

''(i) EXTENSION OF AUTHORITY TO ESTABLISH MEMORIAL.—Notwithstanding section 10 of the Commemorative Works Act (40 U.S.C. 1010), the legislative authorization for the construction of the World War II memorial contained in Public Law 103–32 (107 Stat. 90) shall not expire until December 31, 2005.''.

(2) The table of sections at the beginning of chapter 21 of title 36, United States Code, is amended by adding at the end the following new item:

''2113. World War II memorial in the District of Columbia.''.

(b) CONFORMING AMENDMENTS.—Public Law 103–32 (107 Stat. 90) is amended by striking sections 3, 4, and 5.

(c) EFFECT OF REPEAL OF CURRENT MEMORIAL FUND.—Upon the date of the enactment of this Act, the Secretary of the Treasury shall transfer amounts in the fund created by section 4(a) of Public Law 103–32 (107 Stat. 91) to the fund created by section 2113 of title 36, United States Code, as added by subsection (a).

SEC. 423. GENERAL AUTHORITY OF AMERICAN BATTLE MONUMENTS COMMISSION TO SOLICIT AND RECEIVE CONTRIBUTIONS.

Subsection (e) of section 2103 of title 36, United States Code, is amended to read as follows:

''(e) SOLICITATION AND RECEIPT OF CONTRIBUTIONS.—(1) The Commission may solicit and receive funds and in-kind donations and gifts from any State, municipal, or private source to carry out the purposes of this chapter. The Commission shall deposit such funds in a separate account in the Treasury. Funds from this account shall be disbursed upon vouchers approved by the Chairman of the Commission as well as by a Federal official authorized to sign payment vouchers.

''(2) The Commission shall establish written guidelines setting forth the criteria to be used in determining whether the acceptance of funds and in-kind donations and gifts under paragraph (1) would—

''(A) reflect unfavorably on the ability of the Commission, or any employee of the Commission, to carry out the responsibilities or official duties of the Commission in a fair and objective manner; or

''(B) compromise the integrity or the appearance of the integrity of the programs of the Commission or any official involved in those programs.''.

SEC. 424. INTELLECTUAL PROPERTY AND RELATED ITEMS.

Section 2103 of title 36, United States Code, is amended by adding at the end the following new subsection:

''(l) INTELLECTUAL PROPERTY AND RELATED ITEMS.—(1) The Commission may—

''(A) adopt, use, register, and license trademarks, service marks, and other marks;

''(B) obtain, use, register, and license the use of copyrights consistent with section 105 of title 17;

''(C) obtain, use, and license patents; and

''(D) accept gifts of marks, copyrights, patents and licenses for use by the Commission.

''(2) The Commission may grant exclusive and nonexclusive licenses in connection with any mark, copyright, patent, or license for the use of such mark, copyright or patent, except to extent the grant of such license by the Commission would be contrary to any contract or license by which the use of such mark, copyright or patent was obtained.

''(3) The Commission may enforce any mark, copyright, or patent by an action in the district courts under any law providing for the protection of such marks, copyrights, or patents.

''(4) The Attorney General shall furnish the Commission with such legal representation as the Commission may require under paragraph (3). The Secretary of Defense shall provide representation for the Commission in administrative proceedings before the Patent and Trademark Office and Copyright Office.

''(5) Section 203 of title 17 shall not apply to any copyright transferred in any manner to the Commission.''.

TITLE V—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 501. TEMPORARY SERVICE OF CERTAIN JUDGES OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS UPON EXPIRATION OF THEIR TERMS OR RETIREMENT.

(a) AUTHORITY FOR TEMPORARY SERVICE.—(1) Notwithstanding subsection (c) of section 7253 of title 38, United States Code, and subject to the provisions of this section, a judge of the Court whose term on the Court expires in 2004 or 2005 and completes such term, or who retires from the Court under section 7296(b)(1) of such title, may continue to serve on the Court after the expiration of the judge's term or retirement, as the case may be, without reappointment for service on the Court under such section 7253.

(2) A judge may continue to serve on the Court under paragraph (1) only if the judge submits to the chief judge of the Court written notice of an election to so serve 30 days before the earlier of—

(A) the expiration of the judge's term on the Court as described in that paragraph; or

(B) the date on which the judge meets the age and service requirements for eligibility for retirement set forth in section 7296(b)(1) of such title.

(3) The total number of judges serving on the Court at any one time, including the judges serving under this section, may not exceed 7.

(b) PERIOD OF TEMPORARY SERVICE.—(1) The service of a judge on the Court under this section may continue until the earlier of—

(A) the date that is 30 days after the date on which the chief judge of the Court submits to the President and Congress a written certification based on the projected caseload of the Court that the work of the Court can be performed in a timely and efficient manner by judges of the Court under this section who are senior on the Court to the judge electing to continue to provide temporary service under this section or without judges under this section; or

(B) the date on which the person appointed to the position on the Court occupied by the judge under this section is qualified for the position.

(2) Subsections (f) and (g) of section 7253 of title 38, United States Code, shall apply with respect to the service of a judge on the Court under this section.

(c) TEMPORARY SERVICE IN OTHER POSITIONS.—(1) If on the date that the person appointed to the position on the Court occupied by a judge under this section is qualified another position on the Court is vacant, the judge may serve in such other position under this section.

(2) If two or more judges seek to serve in a position on the Court in accordance with paragraph (1), the judge senior in service on the Court shall serve in the position under that paragraph.

(d) COMPENSATION.—(1) Notwithstanding any other provision of law, a person whose service as a judge of the Court continues under this section shall be paid for the period of service under this section an amount as follows:

(A) In the case of a person eligible to receive retired pay under subchapter V of chapter 72 of title 38, United States Code, or a retirement annuity under subchapter III of chapter 83 or subchapter II of chapter 84 of title 5, United States Code, as applicable, an amount equal to one-half of the amount of the current salary payable to a judge of the Court under chapter 72 of title 38, United States Code, having a status on the Court equivalent to the highest status on the Court attained by the person.

(B) In the case of a person not eligible to receive such retired pay or such retirement annuity, an amount equal to the amount of current salary payable to a judge of the Court under such chapter 72 having a status on the Court equivalent to the highest status on the Court attained by the person.

(2) Amounts paid under this subsection to a person described in paragraph (1)(A)—

(A) shall not be treated as—

(i) compensation for employment with the United States for purposes of section 7296(e) of title 38, United States Code, or any provision of title 5, United States Code, relating to the receipt or forfeiture of retired pay or retirement annuities by a person accepting compensation for employment with the United States; or

(ii) pay for purposes of deductions or contributions for or on behalf of the person to retired pay under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable; but

(B) may, at the election of the person, be treated as pay for purposes of deductions or contributions for or on behalf of the person to a retirement or other annuity, or both, under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable.

(3) Amounts paid under this subsection to a person described in paragraph (1)(B) shall be treated as pay for purposes of deductions or contributions for or on behalf of the person to retired pay or a retirement or other annuity under subchapter V of chapter 72 of title 38, United States Code, or under chapter 83 or 84 of title 5, United States Code, as applicable.

(4) Amounts paid under this subsection shall be derived from amounts available for payment of salaries and benefits of judges of the Court.

(e) CREDITABLE SERVICE.—(1) The service as a judge of the Court under this section of a person who makes an election provided for under subsection (d)(2)(B) shall constitute creditable service toward the judge's years of judicial service for purposes of section 7297 of title 38, United States Code, with such service creditable at a rate equal to the rate at which such service would be creditable for such purposes if served by a judge of the Court under chapter 72 of that title.

(2) The service as a judge of the Court under this section of a person paid salary under subsection (d)(1)(B) shall constitute creditable service of the person toward retirement under subchapter V of chapter 72 of title 38, United States Code, or subchapter III of chapter 83 or subchapter II of chapter 84 of title 5, United States Code, as applicable.

(f) ELIGIBILITY FOR ADDITIONAL SERVICE.—The service of a person as a judge of the Court under this section shall not affect the eligibility of the person for appointment to an additional term or terms on the Court, whether in the position occupied by the person under this section or in another position on the Court.

(g) TREATMENT OF PARTY MEMBERSHIP.—For purposes of determining compliance with the last sentence of section 7253(b) of title 38, United States Code, the party membership of a judge serving on the Court under this section shall not be taken into account.

SEC. 502. MODIFIED TERMS FOR CERTAIN JUDGES OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) MODIFIED TERMS.—Notwithstanding section 7253(c) of title 38, United States Code, the term of any judge of the Court who is appointed to a position on the Court that becomes vacant in 2004 shall be 13 years.

(b) ELIGIBILITY FOR RETIREMENT.—(1) For purposes of determining the eligibility to retire under section 7296 of title 38, United States Code, of a judge appointed as described in subsection (a)—

(A) the age and service requirements in the table in paragraph (2) shall apply to the judge instead of the age and service requirements in the table in subsection (b)(1) of that section that would otherwise apply to the judge; and

(B) the minimum years of service applied to the judge for eligibility to retire under the first sentence of subsection (b)(2) of that section shall be 13 years instead of 15 years.

(2) The age and service requirements in this paragraph are as follows:

The judge has attained age:	And the years of service as a judge are at least
65	13
66	13
67	13
68	12
69	11
70	10

SEC. 503. TEMPORARY AUTHORITY FOR VOLUNTARY SEPARATION INCENTIVES FOR CERTAIN JUDGES ON UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) TEMPORARY AUTHORITY.—A voluntary separation incentive payment may be paid in accordance with this section to any judge of the Court described in subsection (c).

(b) AMOUNT OF INCENTIVE PAYMENT.—The amount of a voluntary separation incentive payment paid to a judge under this section shall be $25,000.

(c) COVERED JUDGES.—A voluntary separation incentive payment may be paid under this section to any judge of the Court who—

(1) meets the age and service requirements for retirement set forth in section 7296(b)(1) of title 38, United States Code, as of the date on which the judge retires from the Court;

(2) submits a notice of an intent to retire in accordance with subsection (d); and

(3) retires from the Court under that section not later than 30 days after the date on which the judge meets such age and service requirements.

(d) NOTICE OF INTENT TO RETIRE.—(1) A judge of the Court seeking payment of a voluntary separation incentive payment under this section shall submit to the President and Congress a timely notice of an intent to retire from the Court, together with a request for payment of the voluntary separation incentive payment.

(2) A notice shall be timely submitted under paragraph (1) only if submitted—

(A) not later than one year before the date of retirement of the judge concerned from the Court; or

(B) in the case of a judge whose retirement from the Court will occur less than one year after the date of the enactment of this Act, not later than 30 days after the date of the enactment of this Act.

(e) DATE OF PAYMENT.—A voluntary separation incentive payment may be paid to a judge of the Court under this section only upon the retirement of the judge from the Court.

(f) TREATMENT OF PAYMENT.—A voluntary separation incentive payment paid to a judge under this section shall not be treated as pay for purposes of contributions for or on behalf of the judge to retired pay or a retirement or other annuity under subchapter V of chapter 72 of title 38, United States Code.

(g) ELIGIBILITY FOR TEMPORARY SERVICE ON COURT.—A judge seeking payment of a voluntary separation incentive payment under this section may serve on the Court under section 401 if eligible for such service under that section.

(h) SOURCE OF PAYMENTS.—Amounts for voluntary separation incentive payments under this section shall be derived from amounts available for payment of salaries and benefits of judges of the Court.

(i) EXPIRATION OF AUTHORITY.—A voluntary separation incentive payment may not be paid under this section to a judge who retires from the Court after December 31, 2002.

SEC. 504. DEFINITION.

In this title, the term ''Court'' means the United States Court of Appeals for Veterans Claims.

Amend the title so as to read: ''An Act To amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and for other purposes.''.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

FRIST AMENDMENT NO. 2542

Mr. DOMENICI (for Mr. FRIST) proposed an amendment to the bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes

[The amendment was not available for printing. It will appear in a future edition of the RECORD.]

WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

KERRY (AND BOND) AMENDMENT NO. 2543

Mr. DOMENICI (for Mr. KERRY (for himself and Mr. DOMENICI)) proposed an amendment to the bill (S. 791) to amend the Small Business Act with respect to the women's busines center program; as follows:

Strike section 4 and insert the following:

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT 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*) SUSTAINABILITY PILOT PROGRAM.—

''(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

''(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

''(B) that—

''(i) is in the final year of a 5-year project; or

''(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

''(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

''(A) a certification that the applicant—

''(i) is a private nonprofit organization;

''(ii) employs a full-time executive director or program manager to manage the center; and

''(iii) as a condition of receiving a sustainability grant, agrees—

''(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

''(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

''(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

''(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling, training, and workshops provided; and

''(iii) the number of startup business concerns formed;

''(D) information demonstrating the effective experience of the applicant in—

''(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

''(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

''(iii) using resource partners of the Administration and other entities, such as universities;

''(iv) complying with the cooperative agreement of the applicant; and

''(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

''(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

''(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

''(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(3) REVIEW OF APPLICATIONS.—

''(A) IN GENERAL.—The Administration shall—

''(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

''(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

''(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

''(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling and training provided and workshops conducted;

''(iii) the number of startup business concerns formed;

''(iv) any available gross receipts of assisted concerns; and

''(v) the number of jobs created, maintained, or lost at assisted concerns.

''(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

''(4) NON-FEDERAL CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind 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) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (*l*)—

''(A) $12,000,000 for fiscal year 2000;

''(B) $12,800,000 for fiscal year 2001;

''(C) $13,700,000 for fiscal year 2002; and

''(D) $14,500,000 for fiscal year 2003.'';

(2) in paragraph (2)—

(A) by striking ''Amounts made'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made''; and

(B) by adding at the end the following:

''(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

''(i) For fiscal year 2000, 2 percent.

''(ii) For fiscal year 2001, 1.9 percent.

''(iii) For fiscal year 2002, 1.9 percent.

''(iv) For fiscal year 2003, 1.6 percent.''; and

(3) by adding at the end the following:

''(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (*l*):

''(i) For fiscal year 2000, 17 percent.

''(ii) For fiscal year 2001, 18.8 percent.

''(iii) For fiscal year 2002, 30.2 percent.

''(iv) For fiscal year 2003, 30.2 percent.

''(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (*l*)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).''.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

INDEPENDENT OFFICE OF ADVOCACY ACT

BOND AMENDMENT NO. 2544

Mr. DOMENICI (for Mr. BOND) proposed an amendment to the bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration; as follows:

On page 12, line 12, insert after ''Representatives'' the following: '', the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives''.

THE BANKRUPTCY REFORM ACT OF 1999

COVERDELL (AND OTHERS) AMENDMENT NO. 2545

(Ordered to lie on the table.)

Mr. COVERDELL (for himself, Mr. SARBANES, Mr. BIDEN, Mr. MACK, Mr. EDWARDS, Mr. GRAHAM, and Mr. CLELAND) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. BANKRUPTCY JUDGESHIPS.

(a) TEMPORARY JUDGESHIPS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(1) One additional bankruptcy judgeship for the district of Delaware.

(2) One additional bankruptcy judgeship for the southern district of Florida.

(3) One additional bankruptcy judgeship for the southern district of Georgia.

(4) One additional bankruptcy judgeship for the district of Maryland.

(5) One additional bankruptcy judgeship for the eastern district of North Carolina.

(6) One additional bankruptcy judgeship for the district of Puerto Rico.

(b) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in subsection (a) shall not be filled if the vacancy—

(1) results from the death, retirement, resignation, or removal of a bankruptcy judge; or

(2) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under subsection (a).

BENNETT AMENDMENT NO. 2546

(Ordered to lie on the table.)

Mr. BENNETT submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following:

TITLE XIII—FINANCIAL INSTITUTIONS INSOLVENCY IMPROVEMENT

SEC 1301. SHORT TITLE.

This title may be cited as the ''Financial Institutions Insolvency Improvement Act of 1999''.

SEC. 1302. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting '', resolution, or order'' after ''any similar agreement that the Corporation determines by regulation''.

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause (other than subclause (II));

''(VII) means any combination of the agreements or transactions referred to in this clause (other than subclause (II));

''(VIII) means any option to enter into any agreement or transaction referred to in this clause (other than subclause (II));

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause (other than subclause (II)).''.

(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date that is more than 2 days after the date on which the contract is entered into, including a repurchase agreement, reverse repurchase agreement, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).''.

(e) DEFINITION OF REPURCHASE AGREEMENT AND REVERSE REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:

''(v) REPURCHASE AGREEMENT; REVERSE REPURCHASE AGREEMENT.—The terms 'repurchase agreement' and 'reverse repurchase agreement'—

''(I) mean an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described in this subclause, at a date certain that is not later than 1 year after the date of such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).''.

(f) DEFINITION OF SWAP AGREEMENT.—The Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:

''(vi) SWAP AGREEMENT.—The term 'swap agreement'—

''(I) means any agreement, including the terms and conditions incorporated by reference in any such agreement, that is—

''(aa) an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

''(bb) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

''(cc) a currency swap, option, future, or forward agreement;

''(dd) an equity index or equity swap, option, future, or forward agreement;

''(ee) a debt index or debt swap, option, future, or forward agreement;

''(ff) a credit spread or credit swap, option, future, or forward agreement; or

''(gg) a commodity index or commodity swap, option, future, or forward agreement;

''(II) means any agreement or transaction that is similar to any other agreement or transaction referred to in this clause, that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement), and that is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(III) means any combination of agreements or transactions referred to in this clause;

''(IV) means any option to enter into any agreement or transaction referred to in this clause;

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV);

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), or (IV); and

''(VII) is applicable for purposes of this Act only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.''.

(g) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.''.

(h) TREATMENT OF QUALIFIED FINANCIAL CONTRACTS.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A), by striking ''paragraph (10)'' and inserting ''paragraphs (9) and (10)'';

(2) in subparagraph (A)(i), by striking ''to cause the termination or liquidation'' and inserting ''such person has to cause the termination, liquidation, or acceleration'';

(3) by striking clause (ii) of subparagraph (A) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or''; and

(4) by striking clause (ii) of subparagraph (E) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i); or''.

(i) AVOIDANCE OF TRANSFERS.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting ''section 5242 of the Revised Statutes (12 U.S.C. 91), or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers,'' before ''the Corporation''.

SEC. 1303. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.

(a) IN GENERAL.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (E), by striking ''other than paragraph (12) of this subsection, subsection (d)(9)'' and inserting ''other than subsections (d)(9) and (e)(10)''; and

(2) by adding at the end the following:

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) or to disaffirm or repudiate any such contract in accordance with subsection (e)(1).

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting ''or the exercise of rights or powers by'' after ''the appointment of''.

SEC. 1304. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.

(a) TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS TO FINANCIAL INSTITUTIONS.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—

''(A) IN GENERAL.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified financial contract, the conservator or receiver for such depository institution shall either—

''(i) transfer to 1 financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

''(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;

''(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);

''(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and

''(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or

''(ii) transfer none of the qualified financial contracts, claims, property, or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).

''(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contract and related claims and property pursuant to subparagraph (A)(i), the conservator or receiver for the depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch, or agency, to the qualified financial contract, and to any netting contract, any security agreement or arrangement or other credit enhancement related to 1 or more

qualified financial contracts the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements, or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.

''(C) TRANSFER OF CONTRACT SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—If a conservator or receiver transfers any qualified financial contract and related claims, property, and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.

''(D) DEFINITION.—For purposes of this paragraph, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution that the Corporation determines, by regulation, to be a financial institution.''.

(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended by striking the flush material immediately following clause (ii) and inserting the following:

''the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.''.

(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following:

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(A) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(E) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) TREATMENT OF BRIDGE BANKS.—A financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or that is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of subsection (e)(9) does not include—

''(i) a bridge bank; or

''(ii) a depository institution organized by the Corporation, for which a conservator is appointed either—

''(I) immediately upon the organization of the institution; or

''(II) at the time of a purchase and assumption transaction between such institution and the Corporation as receiver for a depository institution in default.''.

SEC. 1305. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively;

(2) in paragraph (8)(C)(i), by striking ''(11)'' and inserting ''(12)'';

(3) in paragraph (8)(E), by striking ''(12)'' and inserting ''(13)''; and

(4) by inserting after paragraph (10) the following:

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the right to disaffirm or repudiate with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the depository institution in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).''.

SEC. 1306. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.

Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

''(vii) TREATMENT OF MASTER AGREEMENT AS 1 AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.''.

SEC. 1307. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.

(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—

(1) in paragraph (6)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) by inserting after subparagraph (A) the following:

''(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System, if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;''; and

(C) by striking subparagraph (C) (as redesignated) and inserting the following:

''(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;'';

(2) in paragraph (11), by inserting before the period ''and any other clearing organization with which such clearing organization has a netting contract'';

(3) in paragraph (14)(A), by striking clause (i) and inserting the following:

''(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and''; and

(4) by adding at the end the following:

''(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.''.

(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of Federal or State law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970) the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of the clearing organization shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following:

''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended by adding at the end the following:

''SEC. 408. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency, except that for such purpose—

''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;

''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of that Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and

''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.

''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.

''(c) REGULATORY AUTHORITY.—

''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.

''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meanings as in section 1(b) of the International Banking Act of 1978.''.

SEC. 1308. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following:

''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.

SEC. 1309. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.

Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:

''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—

''(A) IN GENERAL.—An agreement described in subparagraph (B) shall not be deemed to be invalid pursuant to paragraph (1)(B) solely on the basis—

''(i) that the agreement was not executed contemporaneously with the acquisition of the collateral; or

''(ii) of any pledge, delivery, or substitution of the collateral made in accordance with the agreement.

''(B) AGREEMENT DESCRIBED.—An agreement is described in this subparagraph if it is an agreement to provide for the lawful collateralization of—

''(i) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;

''(ii) securities deposited under section 345(b)(2) of title 11, United States Code;

''(iii) extensions of credit, including an overdraft, from a Federal reserve bank or Federal home loan bank; or

''(iv) 1 or more qualified financial contracts (as defined in section 11(e)(8)(D)).''.

SEC. 1310. SIPC STAY.

Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding at the end the following:

''(C) EXCEPTION FROM STAY.—

''(i) IN GENERAL.—Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) of this section nor any order or decree obtained by SIPC from the court shall operate as a stay of any contractual right of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, each as defined in title 11, United States Code, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with 1 or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements.

''(ii) STAYS ON FORECLOSURE.—Notwithstanding clause (i), an application, order, or decree described therein may operate as a stay of the foreclosure on securities collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement or securities lent under a securities lending agreement.

''(iii) DEFINITION.—As used in this section, the term 'contractual right' includes—

''(I) a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency;

''(II) a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof; and

''(III) a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

SEC. 1311. FEDERAL RESERVE COLLATERAL REQUIREMENTS.

Section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended in the third sentence of the second undesignated paragraph, by striking ''acceptances acquired under section 13 of this Act'' and inserting ''acceptances acquired under section 10A, 10B, 13, or 13A''.

SEC. 1312. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) SEVERABILITY.—If any provision of this title or any amendment made by this title, or the application of any such provision or amendment to any person or circumstance, is held to be unconstitutional, the remaining provisions of and amendments made by this title and the application of such other provisions and amendments to any person or circumstance shall not be affected thereby.

(b) EFFECTIVE DATE.—This title and the amendments made by this title shall take effect on the date of enactment of this Act.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

DOMENICI (AND OTHERS) AMENDMENT NO. 2547

(Ordered to lie on the table.)

Mr. DOMENICI (for himself, Mr. ABRAHAM, and Mr. SANTORUM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

TITLE ____—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

SEC. ____01. MINIMUM WAGE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.15 an hour beginning September 1, 1997,

''(B) $5.50 an hour during the year beginning March 1, 2000,

''(C) $5.85 an hour during the year beginning March 1, 2001, and

''(D) $6.15 an hour during the year beginning March 1, 2002.''.

SEC. ____02. REGULAR RATE FOR OVERTIME PURPOSES.

Section 7(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(e)) is amended—

(1) by inserting before the semicolon at the end of paragraph (3) the following: ''; or (d) the payments are made to reward an employee or group of employees for meeting or exceeding the productivity, quality, efficiency, or sales goals as specified in a gainsharing, incentive bonus, commission, or performance contingent bonus plan''; and

(2) by inserting after and below paragraph (7) the following:

''A plan described in paragraph (3)(d) shall be in writing and made available to employees, provide that the amount of the payments to be made under the plan be based upon a formula that is stated in the plan, and be established and maintained in good faith for the purpose of distributing to employees additional remuneration over and above the wages and salaries that are not dependent upon the existence of such plan or payments made pursuant to such plan.''.

TITLE ____—TAX RELIEF

SEC. ____00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Small Business Tax Relief

SEC. ___01. INCREASE IN EXPENSING LIMITATION TO $30,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to limitations) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $30,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___02. REPEAL OF TEMPORARY UNEMPLOYMENT TAX.

Section 3301 (relating to rate of unemployment tax) is amended—

(1) by striking ''2007'' in paragraph (1) and inserting ''2000''; and

(2) by striking ''2008'' in paragraph (2) and inserting ''2001''.

SEC. ___03. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deduction) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___04. PERMANENT EXTENSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Section 51(c) (defining wages) is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

SEC. ___05. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL AND ENTERTAINMENT EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following:

''(4) SPECIAL RULE FOR SMALL BUSINESSES.—

''(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting 'the applicable percentage' for '50 percent'. For purposes of the preceding sentence, the term 'applicable percentage' means 55 percent in the case of taxable years beginning in 2001, increased (but not above 80 percent) by 5 percentage points for each succeeding calendar year after 2001 with respect to taxable years beginning in each such calendar year.

''(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

''(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

''(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Deduction for Health and Long-Term Care Insurance

SEC. ___11. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

''SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year:	**The applicable dollar amount:**
2002, 2003, and 2004	25
2005	35
2006	65
2007 and thereafter	100.

''(c) LIMITATION BASED ON OTHER COVERAGE.—

''(1) COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.—

''(A) IN GENERAL.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B and without regard to payments made with respect to any coverage described in subsection (e)) is paid or incurred by the employer.

''(B) EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

''(C) AGGREGATION OF PLANS OF EMPLOYER.—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 were treated as one health plan.

''(D) SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (C) shall be applied separately with respect to—

''(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

''(ii) plans which do not include such coverage and are not such contracts.

''(2) COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

''(i) title XVIII, XIX, or XXI of the Social Security Act,

''(ii) chapter 55 of title 10, United States Code,

''(iii) chapter 17 of title 38, United States Code,

''(iv) chapter 89 of title 5, United States Code, or

''(v) the Indian Health Care Improvement Act.

''(B) EXCEPTIONS.—

''(i) QUALIFIED LONG-TERM CARE.—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

''(ii) CONTINUATION COVERAGE OF FEHBP.—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

''(d) LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

''(e) DEDUCTION NOT AVAILABLE FOR PAYMENT OF ANCILLARY COVERAGE PREMIUMS.—Any amount paid as a premium for insurance which provides for—

''(1) coverage for accidents, disability, dental care, vision care, or a specified illness, or

''(2) making payments of a fixed amount per day (or other period) by reason of being hospitalized.

shall not be taken into account under subsection (a).

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

''(2) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.''.

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

''(18) HEALTH AND LONG-TERM CARE INSURANCE COSTS.—The deduction allowed by section 222.''.

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 222. Health and long-term care insurance costs.
''Sec. 223. Cross reference.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle C—Pension Tax Relief

PART I—EXPANDING COVERAGE

SEC. ___21. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$160,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$160,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' '' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62''.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$90,000'' in paragraph (1)(A) and inserting ''$160,000'', and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$160,000'', and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 2000''.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''$30,000'' and inserting ''$40,000''.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$30,000'' in paragraph (1)(C) and inserting ''$40,000'', and

(B) in paragraph (3)(D)—

(i) by striking ''$30,000'' in the heading and inserting ''$40,000'', and

(ii) by striking ''October 1, 1993'' and inserting ''July 1, 2000''.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$200,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 2000'', and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

''(1) IN GENERAL.—

''(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

''(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

''(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking ''402(g)(8)(A)(iii)'' and inserting ''402(g)(7)(A)(iii)''.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking ''$7,500'' each place it appears and inserting ''the applicable dollar amount'', and

(B) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''twice the dollar amount in effect under subsection (b)(2)(A)''.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

''(15) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

''(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking ''$6,000'' and inserting ''the applicable dollar amount''.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

''(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking ''$6,000'' and inserting ''the amount in effect under section 408(p)(2)(A)(ii)''.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 22. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).''.

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. 23. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $150,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

''(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of determining—

''(i) the present value of the cumulative accrued benefit for any employee, or

''(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

''(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.''.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

''(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a plan which consists solely of—

''(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

''(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).''.

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking ''clause (ii)'' in clause (i) and inserting ''clause (ii) or (iii)'', and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(f) ELIMINATION OF FAMILY ATTRIBUTION.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

''(iv) FAMILY ATTRIBUTION DISREGARDED.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___24. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___25. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section ___21, is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

SEC. ___26. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

(1) made after the 5th plan year the pension benefit plan is in existence, or

(2) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term ''pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term ''eligible employer'' has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

SEC. ___27. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___28. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

''(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED PLUS CONTRIBUTION.—The term 'designated plus contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated plus account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the first taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

''(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated plus contribution to such previously established account.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

''(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''.

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: ''The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.'', and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

''If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.''.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated plus contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as plus contributions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

PART II—ENHANCING FAIRNESS FOR WOMEN

SEC. ___31. CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(v) CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

''(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

''(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

''(ii) the excess (if any) of—

''(I) the participant's compensation for the year, over

''(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

'For taxable years beginning in:	The applicable percentage is:
2001	10 percent
2002	20 percent
2003	30 percent
2004	40 percent
2005 and thereafter	50 percent.

''(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1)—

''(A) such contribution shall not, with respect to the year in which the contribution is made—

''(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, or

''(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

''(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

''(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

''(A) who has attained the age of 50 before the close of the plan year, and

''(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or contained in the terms of the plan.

''(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

''(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

''(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

''(iv) an arrangement meeting the requirements of section 408 (k) or (p).

''(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

''(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (B)(iii) for any year to which section 457(b)(3) applies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. ___32. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''25 percent'' and inserting ''100 percent''.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'',

(B) by striking paragraph (2), and

(C) by inserting ''or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)''.

(B) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(C) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 1201) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. ___33. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. ___34. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading, and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him,''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'',

(ii) by striking ''clause (iii)(III)'' in subclause (I) and inserting ''clause (ii)(III)'',

(iii) by striking ''the date on which the employee would have attained the age 70½,'' in subclause (I) and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½,'', and

(iv) by striking ''the distributions to such spouse begin,'' in subclause (II) and inserting ''his entire interest has been distributed to him,''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. ___35. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))'', and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)''

and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

SEC. 36. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2000.

PART III—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. 41. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or''.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

''(iv) section 457(b).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by inserting after clause (iv) the following new clause:

''(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).''.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

''(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.''.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403 (b) PLANS.—

(1) ROLLOVERS FROM SECTION 403 (b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403 (b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) an annuity contract described in section 403(b).''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking ''; except that'' and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.''.

(8) Section 408(a)(1) is amended by striking ''or 403(b)(8)'' and inserting '', 403(b)(8), or 457(e)(16)''.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(10) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(11) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 42. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into

an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. ___43. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution to the extent—

''(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).''.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

''(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).''.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

''(H) APPLICATION OF SECTION 72.—

''(i) IN GENERAL.—If—

''(I) a distribution is made from an individual retirement plan, and

''(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

''(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

''(I) section 72 shall be applied separately to such distribution,

''(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

''(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

SEC. ___44. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

''(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section ___43, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___45. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election,

''(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

''(VI) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

''(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) AMENDMENT TO ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

''(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

''(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

''(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 205, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 205(c)(2); and

''(vi) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(5) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

''(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(2) AMENDMENT TO ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: ''The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendments made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. ___46. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

''(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).''.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking ''An event'' in clause (i) and inserting ''A termination'', and

(II) by striking ''the event'' in clause (i) and inserting ''the termination'',

(ii) by striking subparagraph (C), and

(iii) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___47. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

''(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (16) the following new paragraph:

''(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(2) Section 457(b)(2) is amended by striking ''(other than rollover amounts)'' and inserting ''(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(17))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

SEC. ___48. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).''.

(2) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

''(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.''.

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. ___49. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

''(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).''.

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

''(a) YEAR OF INCLUSION IN GROSS INCOME.—

''(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

''(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

''(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

''(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

''(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—''.

(B) Section 457(d) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

PART IV—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

SEC. ___51. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(b) AMENDMENT TO ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___52. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___53. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___54. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) AMENDMENT TO 1986 CODE.—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as one plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

''(2) NOTICE.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

''(3) TIMING OF NOTICE.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

''(4) DESIGNEES.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(5) NOTICE BEFORE ADOPTION OF AMENDMENT.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

''(f) APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—The term 'applicable individual' means, with respect to any plan amendment—

''(A) any participant in the plan, and

''(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

''(2) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(A) any defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.''.

(b) AMENDMENT TO ERISA.—Section 204(h) of the Employee Retirement Income Security Act or 1974 (29 U.S.C. 1054(h)) is amended by adding at the end the following new paragraph:

''(3)(A) A plan to which paragraph (1) applies shall not be treated as meeting the requirements of such paragraph unless, in addition to any notice required to be provided to an individual or organization under such paragraph, the plan administrator provides the notice described in subparagraph (B).

''(B) The notice required by subparagraph (A) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow individuals to understand the effect of the plan amendment.

''(C) Except as provided in regulations prescribed by the Secretary of the Treasury, the notice required by subparagraph (A) shall be provided within a reasonable time before the effective date of the plan amendment.

''(D) A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.''.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

''Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 and section 204(h)(3) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL RULE.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

SEC. ___55. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

''(b) EFFECTIVE DATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

''(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. ___56. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

PART V—REDUCING REGULATORY BURDENS

SEC. ___61. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking ''For purposes'' and inserting the following:

''(A) IN GENERAL.—For purposes'', and

(2) by adding at the end the following:

''(B) ELECTION TO USE PRIOR YEAR VALUATION.—

''(i) IN GENERAL.—Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii) EXCEPTIONS.—

''(I) ACTUAL VALUATION EVERY 3 YEARS.—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) REGULATIONS.—Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) ADJUSTMENTS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) ELECTION.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.''.

(b) AMENDMENTS TO ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ''(A)'' after ''(9)'', and

(2) by adding at the end the following:

''(B)(i) Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii)(I) Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___62. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___63. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. ___64. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401 (k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401 (k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. ___65. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking ''or'' at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting '', or'', and by adding at the end the following new paragraph:

''(7) qualified retirement planning services.''.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

''(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

''(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___66. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the first day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

SEC. ___67. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. ___68. MODIFICATION OF EXCLUSION FOR EMPLOYER PROVIDED TRANSIT PASSES.

(a) IN GENERAL.—Section 132(f)(3) (relating to cash reimbursements) is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___69. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___70. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. ___71. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting ''or by an international organization which is described in section 414(d)'' after ''or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting ''AND INTERNATIONAL ORGANIZATION'' after ''GOVERNMENTAL''.

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting ''STATE AND LOCAL GOVERNMENTAL AND INTERNATIONAL ORGANIZATION PLANS.—'' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

PART VI—PLAN AMENDMENTS

SEC. ___81. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2005'' for ''2003''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a

plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle D—Revenue Provisions

SEC. ___91. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) of such Code are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. ___92. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

''(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

''(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2548–2549

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2548

At the appropriate place in the bill, add the following:

SEC. . HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

AMENDMENT NO. 2549

At the end of the amendment add the following: ''The preceding provisions relating to a limitation on State homestead exemptions shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.''.

HUTCHISON AMENDMENT NO. 2550

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, S. 625, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 1 year after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2551–2647

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 97 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2551

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 330 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2552

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 320 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2553

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 310 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2554

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 300 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2555

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 370 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2556

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 380 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2557

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 390 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2558

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 395 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2559

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 400 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2560

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 426 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2561

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 425 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2562

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 420 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2563

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 415 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2564

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 410 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2565

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 405 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2566

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 200 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2567

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 201 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2568

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 202 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2569

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 203 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2570

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any

findings and recommendations not later than 204 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2571

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 205 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2572

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 206 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2573

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 207 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2574

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 208 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2575

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 209 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2576

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 210 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2577

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 211 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2578

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 212 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000

to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2579

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 213 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2580

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 214 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2581

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 215 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2582

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 216 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2583

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 217 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2584

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 218 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2585

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 220 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2586

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 221 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2587

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 222 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2588

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 223 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2589

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 224 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2590

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 225 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2591

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 226 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2592

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 227 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2593

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 228 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2594

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 229 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2595

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 230 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2596

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 231 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2597

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 343 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2598

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 342 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2599

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 341 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2600

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 340 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2601

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 339 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2602

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 338 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead

within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2603

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 290 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2604

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 350 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2605

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 349 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2606

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 348 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2607

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 347 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2608

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 346 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2609

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 345 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2610

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 344 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2611

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 243 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2612

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 244 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2613

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 245 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2614

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 246 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2615

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 247 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2616

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 248 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2617

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 249 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2618

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 250 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2619

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 255 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2620

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 260 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2621

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 265 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2622

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 270 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2623

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 275 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2624

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 280 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2625

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 241 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2626

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 242 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2627

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any

findings and recommendations not later than 237 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2628

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 238 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2629

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 239 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2630

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 240 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2631

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 236 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2632

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 362 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2633

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 363 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2634

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 232 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2635

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 234 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000

to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2636

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 235 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2637

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 364 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2638

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 361 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2639

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 352 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2640

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 353 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2641

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 354 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2642

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 356 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2643

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 357 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2644

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 359 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2645

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 360 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2646

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 358 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

AMENDMENT NO. 2647

At the appropriate place in the bill, insert the following new section:

SEC. ___. STUDY OF EFFECTS OF THE HOMESTEAD EXEMPTION.

The Comptroller General shall conduct a nationwide study and report to Congress any findings and recommendations not later than 351 days after the date of enactment of this Act regarding—

(1) the utilization of State homestead exemption in States where there is no limitation on the homestead exemption or in States where the limitation exceeds $100,000 to determine the income level of the debtors utilizing the homestead exemption in those States;

(2) the extent to which those individuals who have utilized the homestead exemption in those States would be prohibited from doing so by the provisions in this Act—

(A) restricting utilization of the homestead exemption to those who have resided in the State for at least 2 years (section 303);

(B) providing for enhanced judicial scrutiny of any asset transfers to the homestead within 2 years of the date of filing bankruptcy (section 303); and

(C) the presumption against allowance of filing for chapter 7 (liquidation of assets) for certain high-income individuals (section 102).

JEFFORDS AMENDMENT NO. 2648

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end, add the following:

TITLE ____—PROTECTION FROM THE IMPACT OF BANKRUPTCY OF CERTAIN ELECTRIC UTILITIES

SECTION ___01. SHORT TITLE.

This title may be cited as the ''Emergency Imported Electric Power Price Reduction Act of 1999''.

SEC. ___02. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the protection of the public health and welfare, the preservation of national security, and the regulation of interstate and foreign commerce require that electric power imported into the United States be priced fairly and competitively;

(2) the importation of electric power into the United States is a matter vested with the public interest that—

(A) involves an essential and extensively regulated infrastructure industry; and

(B) affects consumers, the cost of goods manufactured and services rendered, and the economic well-being and livelihood of individuals and society;

(3) it is essential that imported electric power be priced—

(A) in a manner that is competitive with domestic electric power and thereby contribute to robust and sound national and regional economies; and

(B) not at a rate that is so high as to result in the imminent bankruptcy of electric utilities in a State; and

(4) the purchase of imported electric power by the Vermont Joint Owners under the Firm Power and Energy Contract with Hydro-Quebec dated December 4, 1987—

(A) is not consistent with the findings stated in paragraphs (1), (2), and (3); and

(B) threatens the economic well-being of the States and regions in which the imported electric power is provided contrary to the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3).

(b) PURPOSES.—The purposes of this title are—

(1) to facilitate the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3) of subsection (a);

(2) to remove a serious threat to the economic well-being of the States and regions in which imported electric power is provided under the contract referred to in section ___02(a)(4); and

(3) to facilitate revisions to the price elements of the contract referred to in section ___02(a)(4) by declaring and making unlawful, effective 180 days after the date of enactment of this Act, the contract as it exists on the date of enactment of this Act.

SEC. ___03. UNLAWFUL CONTRACT AND AMENDED CONTRACT.

(a) IN GENERAL.—Effective on the date that is 180 days after the date of enactment of this Act, the contract referred to in section ___02(a)(4), as the contract exists on the date of enactment of this Act, shall be void.

(b) AMENDMENT OF CONTRACT.—This title does not preclude the parties to the contract referred to in section ___02(a)(4) from amending the contract or entering into a new contract after the date of enactment of this Act in a manner that is consistent with the findings and purposes of this title.

SEC. ___04. EXCLUSIVE ENFORCEMENT.

(a) IN GENERAL.—Only the Attorney General of a State in which electric power is provided under the contract referred to in section ___02(a)(4), as the contract may be amended after the date of enactment of this Act, may bring a civil action in United States district court for an order that—

(1) declares the amended contract not consistent with the findings and purposes of this title and is therefore void;

(2) enjoins performance of the amended contract; and

(3) relieves the electric utilities that are party to the amended contract of any liability under the contract.

(b) TIMING.—A civil action under subsection (a) shall be brought not later than 1 year after the date of the amended contract or new contract.

GRAMM AMENDMENT NO. 2649

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE XX—CONSUMER CREDIT DISCLOSURE

SEC. XX01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: ''Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: XXXXXX. A creditor subject to this subparagraph (A) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: XXXXXX. A creditor subject to this subparagraph (B) with total assets not exceeding $250 million and that is an insured depository institution as defined in Section 3(c)(2) of the Federal Deposit Insurance Act or a depository institution insured by the National Credit Union Share Insurance Fund shall not be required to provide a toll-free telephone number, but may instead recoup reasonable average costs of providing telephone information access to consumers.'.

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only a 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: XXXXXX'.

''(D) Notwithstanding subparagraph (B) or (C), in complying with either such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F) The telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A) or (B) or (G), as appropriate, may be a telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a telephone number established and maintained by a third party for use by the creditor or multiple creditors, or the Federal Trade Commission, as appropriate. The telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B) or (C) by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B) or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B) or (C) from an obligor through the telephone number disclosed under subparagraph (A), (B) or (C), as applicable, shall disclose in response to such request only the information set forth in the formula promulgated by the Board under subparagraph (H)(i).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i)(a) establish a formula for the computation of the approximate number of months that it would take to repay an outstanding balance and the approximate total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no other advances are made; and (b) in establishing the formula required under (i)(a), the Board may use such data and assumptions as it deems necessary from time to time to carry out the purposes of this section.

''(ii) establish the formula required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts;

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained;

''(V) one or more balance computation methods or one or more periods to be used as the number of days per billing cycle; and

''(VI) such other facts or data as the Board shall deem necessary to carry out the purposes of this section; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the formula established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).''.

(b) EXCEPTION FOR CHARGE CARD ACCOUNTS.—The disclosure requirements under this section do not apply to a charge account, the primary purpose of which is to require payment of charges in full each month.

(c) EXCEPTION FOR ACTUAL DISCLOSURE.—Creditors that maintain a toll-free telephone number for the purpose of providing customers with the actual number of months that it would take to repay an outstanding balance are exempt from the requirements of paragraphs (11) (A) and (B).

(d) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(e) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine the types of information available to potential borrowers from consumer credit lending institutions regarding: factors qualifying potential borrowers for credit, repayment requirements, and the consequences of default.

(2) FACTORS FOR CONSIDERATION.—In conducting the study under paragraph (1), the Board may, in consultation with the other Federal banking agencies (as defined in Section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Before the end of the 2-year period beginning on the date of enactment of this Act, findings of the Board in connection with the study, if conducted, shall be submitted to Congress. Such report also shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

SEC. XX02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is

not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television), shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

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

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges. ''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. ___03. DISCLOSURES RELATED TO ''INTRODUCTORY RATES''.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 16379c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate that will apply after the end of the temporary rate period will be a fixed rate, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)): the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period;

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following clearly and conspicuously in a prominent location closely proximate to the first listing of the temporary annual percentage rate; or if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)): The period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate shall, if that rate is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances or events that may result in the revocation of the temporary annual percentage rate, including representative examples; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of Section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

(a) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the disclosures described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

(a) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be started clearly and conspicuously on the billing statement:

''(A) The date that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127 of the Truth in Lending Act, as amended by subsection (a) of this section. Any provision set forth in subsection (a) and such regulations shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

SEC. XX06. TERMINATION OF OPEN-END CONSUMER CREDIT ACCOUNTS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) TERMINATION OF OPEN-END CONSUMER CREDIT ACCOUNTS FOR FAILURE TO INCUR FINANCE CHARGES.—The Board may conduct or supervise surveys to determine whether and to what extent open-end consumer credit accounts may be terminated by creditors solely based upon the accountholder's failure to incur finance charges on the account. If the results of such surveys produce results that in any significant manner, as determined by the Board, establish materially adverse impacts upon open-end consumer credit accountholders arising from terminations based solely upon their failure to incur finance charges, the Board shall present such findings to the Congress and recommendations for legislative initiatives, if any, based upon such findings. The Board also may promulgate regulations pursuant to its authority under the Truth in Lending Act. Any such regulations shall not take effect until 12 months after publication of such regulations by the Board.''.

SEC. XX07. DUAL USE DEBIT CARD.

(a) REPORT REQUIRED.—The Board may conduct a study of and present to Congress a report containing its analysis of consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report shall include recommendations for legislative initiatives, if any, of the Board based upon its findings.

(b) CONSIDERATIONS.—In preparing the report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address protection for consumers concerning unauthorized use liability.

SEC. XX08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(A) STUDY—

(1) IN GENERAL.—The Board, in consultation with such other departments, agencies, or other public or quasi-public entities, as it may deem necessary, may conduct a study regarding the significance of the impact, if any, of the extension of credit described in paragraph (2) on the rate of personal bankruptcy cases filed and closed under title 11, United States Code excluding those cases in which the discharges have been revoked by a court of competent jurisdiction.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled within one year of successfully completing all required secondary education requirements and on a full-time basis in postsecondary educational institutions.

(3) PERSONAL BANKRUPTCY CASES.—Personal bankruptcy cases referred to in paragraph (1) are those cases filed and resolved and not overturned by a court of competent jurisdiction within the 5-year period ending on the date of enactment of this Act.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Board shall submit to the Congress a report summarizing the results of the study conducted under subsection (a), if conducted.

REED AMENDMENT NO. 2650

(Ordered to lie on the table.)

Mr. REED submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

Strike section 204 and insert the following:

SEC. 204. DISCOURAGING ABUSE OF REAFFIRMATION PRACTICES.

(a) REAFFIRMATIONS.—Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) in paragraph (3)—

(i) in subparagraph (B), by striking ''and'' at the end:

(ii) in subparagraph (C), by adding ''and'' at the end; and

(iii) by adding at the end the following: ''(D) such agreement is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take;'';

(B) in paragraph (6)(A)—

(i) in the matter preceding clause (i), by inserting after ''an agreement under this subsection,'' the following: ''and the consideration for such agreement is not based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty, with respect to which, at point of purchase, the cost of the item or unit was $500 or less,'';

(ii) in clause (i), by striking ''and'' at the end;

(iii) in clause (ii), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(iii) not an agreement that the debtor entered into as a result of a threat by a creditor to take an action that the creditor could not legally take.''; and

(C) by adding at the end the following:

''(7)(A)(i) In the case of an agreement that is based on a wholly unsecured consumer debt or on a consumer debt secured in whole or in part by an item (or items generally sold as a unit) of personalty with respect to which, at point of purchase, the cost of the item or unit was $500 or less, the parties shall execute a statement accompanying each such agreement under an appropriate form prescribed by the Judicial Conference of the United States that—

''(I) fully discloses the financial terms of the reaffirmed debt, including—

''(aa) the amount reaffirmed (including, if practicable, an itemization of the portions of such debt that constitute principal and interest);

''(bb) any attorney's fees or other fees for costs associated with the collection of the debt;

''(cc) a schedule of payments;

''(dd) any financial terms that differ from the financial terms in effect at the time of filing of the petition;

''(ee) the extent and nature of any security interest; and

''(ff) if the agreement includes an extension or renewal of a credit line, basic financial information on the credit terms, such as would be required under applicable federal nonbankruptcy law; and

''(II) demonstrates whether the debtor's net monthly income is not less than the monthly payment required by the agreement, or, if the debtor is proposing more than one such agreement, the aggregation of such agreements.

''(ii) For purposes of this subparagraph, the debtor's net monthly income is the debtor's monthly income less monthly expenses and monthly payments on nondischargeable debt and all other reaffirmed debt. Monthly income, expenses, and payments on debts shall be calculated in the same manner as required by section 707(b).

''(iii) This subparagraph shall not apply if the debtor was represented by counsel during the course of negotiating the agreement under this subparagraph and—

''(I) the amount of the debt to be reaffirmed in any single such agreement under clause (i) is less than $500, except that if the debtor is proposing more than 1 such agreement, and the aggregate amount of such debts to be reaffirmed to all creditors is more than $750, this subparagraph shall apply to any such agreement that has not been approved by the court and any such subsequent agreement; or

''(II) if the amount of the debt to be reaffirmed in any single such agreement is secured by more than one item or unit of collateral and over 50 percent of the total value of all said items or units is attributable to items or units which cost more than $500 at point of purchase. For purposes of this subclause, the value of any item or unit of collateral shall be measured as the cost at point of purchase.

''(iv) Any agreement described under subsection (i) of this subparagraph is enforceable only if filed with the court within 50 days after the first date set for the meeting of creditors under section 341(a), or within such additional time as the court fixes, for cause, within such 50-day period. An agreement that has been filed as prescribed may be amended as a matter of course before the case is closed.

''(B) If the debtor was represented by counsel during the course of negotiating the agreement, the attorney must file the declaration or affidavit as required under paragraph (3).

''(C)(i) The court may consider any such agreement, and shall consider any such agreement that is not an agreement under subparagraph (A)(iii). No agreement shall be disapproved without a notice and hearing to the debtor and creditor, and such hearing must be concluded before the entry of the debtor's discharge. Any agreement under subparagraph (A)(i) not disapproved by the court at the time of discharge shall be deemed approved.

''(ii) The court's consideration under clause (i) shall include whether the agreement—

''(I) imposes no undue hardship on the debtor or a dependent of the debtor;

''(II) is in the best interest of the debtor; and

''(III) is not an agreement that the debtor entered into as a result of a threat by the creditor to take an action that the creditor could not legally take.

''(D) If the debtor was not represented by counsel during the course of negotiating the agreement and the debtor's net monthly income as defined in subparagraph (A)(ii) is

less than the monthly payments required by the agreement, or if applicable, aggregation of agreements, there shall be a presumption that the agreement imposes an undue hardship. The court shall hold a hearing at which the debtor may rebut the presumption by demonstrating the existence of financial circumstances that would enable the debtor to undertake the agreement without undue hardship.''; and

(2) in subsection (d), in the third sentence of the matter preceding paragraph (1), by inserting after ''subsection (c) of this section'' the following:

''that is not a debt described in subsection (c)(7)''.

(B) JUDICIAL EDUCATION.—The Director of the Administrative Office of the United States Courts, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing the amended requirements for reaffirmations, and, in particular, in considering the information contained in the forms required by subparagraph (C).

(C) MODEL FORMS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Judicial Conference of the United States, in consultation with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and interested parties, shall issue a model form for use in making the disclosure and calculations required by the amendments made by subsection (a).

(2) REQUIREMENTS FOR MODEL FORM.—Such model form shall—

(A) be easily understandable to the individuals who use the form;

(B) be suitable for use by debtors under chapter 7 of title 11, United States Code, with a range of educational backgrounds;

(C) provide an opportunity for any debtor to provide—

(i) financial information that is sufficient to demonstrate the existence of financial circumstances that would enable the debtor to undertake an agreement described in section 524(c) of title 11, United States Code, without hardship; and

(ii) a statement as to why an agreement referred to in clause (i) is in the debtor's best interest; and

(D) not require parties to supply information that—

(i) is not readily available; or

(ii) cannot be reasonably acquired.

GRAIG AMENDMENT NO. 265

(Ordered to lie on the table.)

Mr. GRAIG submitted an amendment intended to be proposed by him to the bil, S. 625, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PROPERTY NO LONGER SUBJECT TO REDEMPTION.

Section 541(b) of title 11, United States Code, is amended by adding at the end the following—

''(6) Any interest of the debtor in property where the debtor has pledged or sold tangible personal property or other valuable things (other than securities or written or printed evidences of indebtedness of title) as collateral for a loan or advance of money, where—

(i) the debtor has no obligation to repay the money, redeem the collateral, or buy back the property at a stipulated price, and

(ii) neither the debtor nor the trustee have exercised any right to redeem provided under the contract or state law, in a timely manner as provided under state law and Section 108(b) of this title.''.

KENNEDY AMENDMENTS NOS. 2652–2653

(Ordered to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill S. 625, supra; as follows:

AMENDMENT NO. 2652

On page 11, line 2, insert before the first semicolon '', but excludes benefits received under the Social Security Act;''.

AMENDMENT NO. 2653

On page 135, strike lines 16 through 18 and insert the following:

''(B)(i) The court may extend the period determined under subparagraph (A) for 120 days, upon motion of the trustee or the lessor for cause.

''(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor.''.

On page 139, strike lines 11 through 16 and insert the following:

''(2)(A) The 120-day period specified in paragraph (1) may be extended beyond the date that is 18 months after the date of the order for relief under this chapter if compelling circumstances are demonstrated.

''(B) The 180-day period specified in paragraph (1) may be extended beyond the date that is 20 months after the date of the order for relief under this chapter in conjunction with an extension granted under subparagraph (A).''.

On page 147, line 19, strike ''$4,000,000'' and insert ''$2,000,000''.

On page 155, lines 16, 19, and 24, strike ''90'' each place it appears and insert ''120''.

On page 156, lines 19 and 20, strike ''150'' each place it appears and insert ''175''.

On page 161, line 2, insert ''or'' after the semicolon.

On page 161, line 6, strike ''; or'' and all that follows through line 10 and insert a period.

On page 161, beginning on line 19, strike '', but not a liquidating plan,''.

On page 163, line 1, strike ''(I)''.

On page 163, line 3, strike '', but not'' and all that follows through line 8 and insert a period.

On page 163, line 22, insert ''that poses a risk to the public'' before the semicolon.

On page 164, line 3, insert ''repeated'' before ''failure''.

On page 164, strike lines 13 through 15.

On page 164, line 16, strike ''(J)'' and insert ''(I)''.

On page 164, line 19, strike ''(K)'' and insert ''(J)''.

On page 164, line 21, strike ''(L)'' and insert ''(K)''.

On page 164, line 23, strike ''(M)'' and insert ''(L)''.

On page 165, line 1, strike ''(N)'' and insert ''(M)''.

On page 165, line 3, strike ''(O)'' and insert ''(N)''.

On page 165, between lines 4 and 5, insert the following:

''(5) The court may grant relief under this subsection for cause, as defined in subparagraphs (C), (F), (G), (H), or (J) of paragraph (4), only upon motion of the United States Trustee or bankruptcy administrator, or upon the court's own motion.

On page 165, line 5, strike ''5'' and insert ''6''.

On page 165, line 23, insert ''or an examiner'' after ''trustee''.

On page 263, line 16, insert ''in a case where the debtor is engaged in the business of financial services,'' before ''any''.

On page 264, line 9, strike the period at the end and insert '', and the transaction exceeds $25,000,000.''.

On page 278, line 8, strike the dash at the end and all that follows through line 14 and insert ''by inserting 'who is not a family farmer' after 'debtor' the first place it appears;''.

JOHNSON AMENDMENT NO. 2654

(Ordered to lie on the table.)

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. COMPENSATING TRUSTEES.

Title 11, United States Code, is amended—

(1) in section 104(b)(1) in the matter preceding subparagraph (A) by—

(A) striking ''and 523(a)(2)(C)''; and

(B) inserting ''523(a)(2)(C), and 1326(b)(3)'' before ''immediately'';

(2) in section 326, by inserting at the end the following:

''(e) Notwithstanding any other provision of this section, if a trustee in a chapter 7 case commences a motion to dismiss or convert under section 707(b) and such motion is granted, the court shall allow reasonable compensation under section 330(a) of this title for the services and expenses of the trustee and the trustee's counsel in preparing and presenting such motion and any related appeals.''; and

(3) in section 1326(b)—

(A) in paragraph (1), by striking ''and'';

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) if a chapter 7 trustee has been allowed compensation under section 326(e) in a case converted to this chapter or in a case dismissed under section 707(b) in which the debtor in this case was a debtor—

''(A) the amount of such unpaid compensation which shall be paid monthly by prorating such amount over the remaining duration of the plan, but a monthly payment shall not exceed the greater of—

''(i) $25; or

''(ii) the amount payable to unsecured nonpriority creditors as provided by the plan multiplied by 5 percent, and the result divided by the number of months in the plan; and

''(B) notwithstanding any other provision of this title—

''(i) such compensation is payable and may be collected by the trustee under this paragraph even if such amount has been discharged in a prior proceeding under this title; and

''(ii) such compensation is payable in a case under this chapter only to the extent permitted by this paragraph.''.

TORRICELLI (AND OTHERS) AMENDMENT NO. 2655

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself, Mr. GRASSLEY, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end of the bill, add the following new title:

TITLE ___—CONSUMER CREDIT DISCLOSURE

SEC. ___01. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: _____.'.

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: _____.'.

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously, in typeface no smaller than the largest typeface used to make other clear and conspicuous disclosures under this subsection: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: _____.' A creditor who is subject to this subparagraph shall not be subject to subparagraph (A) or (B).

''(D) Notwithstanding subparagraph (A), (B), or (C), in complying with any such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor who is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F) The toll-free telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A), (B), or (G), as appropriate, may be a toll-free telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditor or multiple creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number disclosed under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i) establish a detailed table illustrating the approximate number of months that it would take to repay an outstanding balance if the consumer pays only the required minimum monthly payments and if no other advances are made, which table shall clearly present standardized information to be used to disclose the information required to be disclosed under subparagraph (A), (B), or (C), as applicable;

''(ii) establish the table required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts; and

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the table established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).

''(I) The disclosure requirements of this paragraph do not apply to any charge card account, the primary purpose of which is to require payment of charges in full each month.

''(J) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay an outstanding balance—

''(i) is not subject to the requirements of subparagraphs (A) and (B); and

''(ii) shall include the following statement on each billing statement: 'Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: _____.'. ''.

(b) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section. Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under this subsection shall not take effect until the later of 18 months after the date of enactment of this Act or 12 months after the publication of such regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine whether consumers have adequate information about borrowing activities that may result in financial problems.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board shall, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the minimum payment under open end credit plans;

(D) consumers are aware that making only minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. ___02. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined by the Board) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value (as defined by the Board) of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

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

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value (as defined by the Board) of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective 12 months after the date of enactment of this Act.

SEC. ___03. DISCLOSURES RELATED TO "INTRODUCTORY RATES".

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation, for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) or, if the first listing is not the most prominent listing, then closely proximate to the most prominent listing of the temporary annual percentage rate, in each document and in no smaller type size than the smaller of the type size in which the proximate temporary annual percentage rate appears or a 12-point type size, the time period in which the introductory period will end and an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate, including representative examples; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

SEC. ___04. INTERNET-BASED CREDIT CARD SOLICITATIONS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the disclosures described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

SEC. ___05. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date the following shall be stated clearly and conspicuously on the billing statement:

''(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

SEC. ___06. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.

SEC. ___07. DUAL USE DEBIT CARD.

(a) REPORT.—The Board may conduct a study of, and present to Congress a report containing its analysis of, consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report, if submitted, shall include recommendations for legislative initiatives, if any, of the Board, based on its findings.

(b) CONSIDERATIONS.—In preparing a report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced or may enhance

the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to provide to further address adequate protection for consumers concerning unauthorized use liability.

SEC. ___08. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code.

(2) EXTENSION OF CREDIT.—The extension of credit referred to in paragraph (1) is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in postsecondary educational institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Senate and the House of Representatives a report summarizing the results of the study conducted under subsection (a).

TORRICELLI AMENDMENTS NOS. 2656–2657

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2656

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting ''(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)'' after ''individual debtor''; and

(2) by adding at the end the following:

''(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.''.

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

''(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.''.

AMENDMENT NO. 2657

On page 124, strike lines 10 through 14, and insert the following:

Section 541(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by inserting ''(other than an individual debtor who, in accordance with section 301, files a petition to commence a voluntary case under chapter 11)'' after ''individual debtor''; and

(2) by adding at the end the following:

''(8) Any interest of the debtor in a lease or a license, whether issued by a governmental unit or a person.''.

On page 250, line 24, strike the quotation marks and the final period.

On page 250, after line 24, insert the following:

''(m) REGULATORY POWERS EXCEPTION.—'Police or regulatory power' excludes any act, action, or proceeding that affects property of or from the estate used in whole or in part to secure or satisfy a debt.''.

LEVIN (AND OTHERS) AMENDMENT NO. 2658

(Ordered to lie on the table.)

Mr. LEVIN (for himself, Mr. DURBIN, Mr. WYDEN, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. LAUTENBERG, and Mr. SCHUMER) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. ___. CHAPTER 11 NONDISCHARGEABILITY OF DEBTS ARISING FROM FIREARM-RELATED DEBTS.

(a) IN GENERAL.—Section 1141(d) of title 11, United States Code, as amended by section 708 of this Act, is amended by adding at the end the following:

''(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt that is—

''(A) related to the use or transfer of a firearm (as defined in section 921(3) of title 18 or section 5845(a) of the Internal Revenue Code of 1986); and

''(B) based in whole or in part on fraud, recklessness, misrepresentation, nuisance, negligence, or product liability.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 901(d) of this Act, is amended—

(1) in paragraph (27), by striking ''or'' at the end;

(2) in paragraph (28), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (28) the following:

''(29) under subsection (a) of this section, of—

''(A) the commencement or continuation, and conclusion to the entry of final judgment or order, of a judicial, administrative, or other action or proceeding for debts that are nondischargeable under section 1141(d)(6); or

''(B) the perfection or enforcement of a judgment or order referred to in subparagraph (A) against property of the estate or property of the debtor.''.

DURBIN AMENDMENTS NOS. 2659–2660

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2659

On page 18, line 5 insert ''(including a briefing conducted by telephone or on the Internet)'' after ''briefing''.

On page 19, line 15, strike ''petition'' and insert ''petition without court approval.''

AMENDMENT NO. 2660

On page 26, strike line 3 and all that follows through page 27, line 24, and insert the following:

''(C) such agreement contains a clear and conspicuous statement that advises the debtor which portion of the debt to be reaffirmed is attributable to—

''(i) principal;

''(ii) interest;

''(iii) late fees;

''(iv) attorney's fees of the creditor; or

''(v) expenses or other costs relating to the collection of the debt;

(B) in paragraph (5), by striking ''and'' at the end;

(C) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking the period at the end and inserting ''; except that''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) to the extent that the debt is a consumer debt secured by real property or is a debt described in paragraph (7), subparagraph (A) shall not apply; and''; and

(D) by adding at the end the following:

''(7) in a case concerning an individual—

''(A)(i) the consideration for such agreement is based, in whole or in part, on—

''(I) an unsecured consumer debt; or

''(II) a debt for an item of personalty with a value of $250 or less at the time of purchase; or

''(ii) the creditor asserts a purchase money security interest; and

''(B) the court approves of such agreement as—

''(i) in the best interest of the debtor, in light of the income and expenses of the debtor;

''(ii) not imposing an undue hardship on the future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(iii) not requiring the debtor to pay the attorney's fees, expenses, or other costs of the creditor relating to the collection of the debt;

''(iv) not executed to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(v) not executed after coercive threats or actions by the creditor in the course of dealings between the creditor and the debtor; and

''(vi) not excessive in amount based upon the value of the collateral.''; and

(2) in subsection (d)(2), by striking ''requirements'' and all that follows through the period and inserting ''applicable requirements of paragraphs (6) and (7).''.

DURBIN (AND OTHERS) AMENDMENTS NOS. 2661–2662

(Ordered to lie on the table.)

Mr. DURBIN (for himself, Mr. SCHUMER, and Mr. KENNEDY) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2661

On page 7, between line 14 and 15, insert the following:

''unless the conditions described in clause (iA) apply with respect to the debtor.

''(iA) the product of the debtor's current monthly income multiplied by 12—

''(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

''(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

''(aa) 25 percent of the debtor's nonpriority unsecured claims in the case; or

''(bb) $15,000.

AMENDMENT NO. 2662

On page 7, between line 14 and 15, insert the following:

''unless the conditions described in clause (iA) or (iB) apply with respect to the debtor.

''(iA) The product of the debtor's current monthly income multiplied by 12 does not exceed

''(I) 100 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(II) in the case of a household of 1 person, 100 percent of the national or applicable State median household income for 1 earner, whichever is greater.

''(iB) the product of the debtor's current monthly income multiplied by 12—

''(I)(aa) exceeds 100 percent, but does not exceed 150 percent of the national or applicable State median household income reported for a household of equal size, whichever is greater; or

''(bb) in the case of a household of 1 person, exceeds 100 percent but does not exceed 150 percent of the national or applicable State median household income reported for 1 earner, whichever is greater; and

''(II) the product of the debtor's current monthly income (reduced by the amounts determined under clause (ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service and clauses (iii) and (iv) multiplied by 60 is less than the greater of—

''(aa) 25 percent of the debtor's nonpriority unsecured claims in the case;

''(bb) $15,000.

MOYNIHAN AMENDMENT NO. 2663

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 107, line 7, strike ''(C)(i) for purposes of subparagraph (A)—'' and insert the following:

''(C) for purposes of subparagraph (A)—

''(i) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—''.

On page 107, lines 8 and 14, move the margins 2 ems to the right.

On page 107, line 19, strike ''and'' and all that follows through line 20 and insert the following:

''(ii) if the debtor and the debtor's spouse combined, as of the date of the order for relief, have a total current monthly income that does not satisfy the conditions of clause (i)—

''(I) consumer debts owed to a single creditor and aggregating more than $1,075 for luxury goods or services incurred by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

''(II) cash advances aggregating more than $1,075 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 60 days before the order for relief under this title are presumed to be nondischargeable; and

''(iii) for purposes of this subparagraph—''.

On page 111, line 20, strike ''(14A)(A) incurred to pay a debt that is'' and insert the following:

''(14A) if the debtor, and the spouse of the debtor in a joint case, as of the date of the order for relief, have a total current monthly income greater than the national or applicable State median family monthly income, calculated on a monthly basis for a family of equal size, or in the case of a household of one person, the national median household income for one earner (except that for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals, plus $583 for each additional member of that household)—

''(A) incurred to pay a debt that is''.

On page 112, line 2, insert '', with respect to debtors with income above the amount stated,'' after ''that''.

KOHL AMENDMENTS NOS. 2664–2666

(Ordered to lie on the table.)

Mr. KOHL submitted three amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2664

On page 124, insert between lines 14 and 15 the following:

SEC. 322. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.

(a) IN GENERAL.—Section 541(b) of title 11, United States Code, as amended by section 903 of this Act, is amended—

(1) by striking ''or'' at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

''(6) any amount—

''(A) withheld by an employer from the wages of employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

''(ii) a health insurance plan regulated by State law whether or not subject to such title; or

''(B) received by the employer from employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.); or

''(ii) a health insurance plan regulated by State law whether or not subject to such title;''.

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of the enactment of this Act.

AMENDMENT NO. 2665

On page 124, insert between lines 14 and 15 the following:

SEC. 322. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

''(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits awarded as back pay attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, without regard to when the original unlawful act occurred or to whether any services were rendered;''.

AMENDMENT NO. 2666

On page 96, line 23 strike all through page 97, line 11 and insert the following:

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

''(e) In an individual case under chapter 7, 11, 12, or 13—

''(1) except for the purpose of applying paragraph (3) of this subsection, subsection (a) shall not apply to an allowed claim that is attributable to the purchase price of personal property if—

''(A) the holder of the claim has a security interest in that property; and

''(B) the property was purchased by the debtor within 180 days before the filing of the petition;

''(2) if an allowed claim referred to in paragraph (1) is secured only by the personal property acquired, the value of the personal property described in that paragraph and the amount of the allowed secured claim shall be the sum of—

''(A) the unpaid principal balance of the purchase price; and

''(B) the accrued and unpaid interest and charges at the applicable contract rate attributable to such property;

''(3) if an allowed claim referred to in paragraph (1) is secured by the personal property described in that paragraph and other property, the value of the security may be determined under subsection (a), except that the value of the security and the amount of the allowed secured claim shall not be less than—

''(A) the unpaid principal balance of the purchase price of the personal property described in paragraph (1); and

''(B) any unpaid interest and charges at the contract rate attributable to the property acquired; and

''(4) in any case under this title that is filed subsequently by or against the debtor in the original case, the value of the personal property described in paragraph (1) and the amount of the allowed secured claim with respect to that property shall be deemed to be not less than an amount determined in the same manner as the original under paragraph (2) or (3).''.

FEINGOLD AMENDMENT NO. 2667

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, insert the following:

TITLE ___—EAST TIMOR SELF-DETERMINATION ACT OF 1999

SEC. ___01. SHORT TITLE.

This title may be cited as the ''East Timor Self-Determination Act of 1999''.

SEC. ___02. FINDINGS; PURPOSE; SENSE OF SENATE.

(a) CONGRESSIONAL FINDINGS.—

(1) On August 30, 1999, in accordance with the May 5, 1999, agreement between Indonesia and Portugal brokered by the United Nations, and subsequent agreements between the United Nations and the governments of Indonesia and Portugal, a popular consultation took place, in which 78.5 percent of East Timorese rejected integration with Indonesia, setting the stage for a transition to independence pursuant to the terms of the May 5, 1999, agreement.

(2) On October 19, 1999, the Indonesian People's Consultative Assembly agreed to ratify the August 30, 1999, vote results, leading the United Nations Security Council, on October 25, 1999, to authorize a United Nations Transitional Administration in East Timor

(UNTAET), which was to include deployment of an international police and military force with up to 1,640 officers and 8,950 troops.

(3) The United Nations Commission on Human Rights, in a special session meeting on September 27, 1999, called on the United Nations Secretary General to establish an international commission of inquiry to investigate violations of human rights in East Timor, and urged the cooperation of the Indonesian government and military.

(4) The Secretary General subsequently directed Mary Robinson, the United Nations High Commissioner on Human Rights, to appoint a United Nations commission on October 15, 1999, which is due to report its conclusion to the Secretary General by December 31, 1999.

(5) The Indonesian People's Consultative Assembly on October 20, 1999, chose Abdurrahman Wahid as President of the Republic of Indonesia and the next day also chose as Vice President, Megawati Soekarnoputri

(6) President Wahid has invited Xanana Gusmao to meet and has written to the United Nations Secretary General officially informing him of the decision to end Indonesia's administration of East Timor, and of East Timor's independence, and expressing his hope ''that East Timor will become an independent state''.

(7) As of late October 1999, according to United Nations officials and other independent observers, more than 200,000 East Timorese remain displaced in camps in West Timor and elsewhere in Indonesia, under constant threat by civilian militia and in some cases denied access to assistance by the United Nations humanitarian agencies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should congratulate the people of Indonesia on its democratic transition and welcome the efforts of the new Indonesian government to bring a peaceful end to the crisis in East and West Timor;

(2) the results of the August 30, 1999, vote on East Timor's political status, which expressed the will of a majority of the Timorese people, should be fully implemented;

(3) economic recovery in Indonesia is essential to political and economic stability in the region; and

(4) the President, the Secretary of State, the Secretary of the Treasury, and Congress should work with the people of Indonesia to restore Indonesia's economic vitality.

(c) PURPOSE.—The purpose of this Act is to encourage the government of Indonesia and the armed forces of Indonesia to take such additional steps as are necessary to create a peaceful environment in which the United Nations Assistance Mission to East Timor (UNAMET), the International Force for East Timor (INTERFET), and the United Nations Transitional Administration in East Timor (UNTAET) can fulfill their mandates and implement the results of the August 30, 1999, vote on East Timor's political status.

SEC. ___03. SUSPENSION OF SECURITY ASSISTANCE.

(a) SUSPENSION AND SUPPORT.—

(1) ASSISTANCE.—None of the funds appropriated or otherwise made available under the following provisions of law (including unexpended balances of prior year appropriations) may be available for Indonesia:

(A) The Foreign Military Financing Program under section 23 of the Arms Export Control Act.

(B) Chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance).

(C) Chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training assistance).

(D) Section 2011 of title 10, United States Code.

(2) LICENSING.—None of the funds appropriated or otherwise made available under any provision of law (including unexpended balances of prior year appropriations) may be available for licensing exports of defense articles or defense services to Indonesia under section 38 of the Arms Export Control Act.

(3) EXPORTATION.—No defense article or defense service may be exported or delivered to Indonesia or East Timor by any United States person (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) or any other person subject to the jurisdiction of the United States except as may be necessary to support the operations of an international peacekeeping force in East Timor or in connection with the provision of humanitarian assistance.

(4) PROHIBITION ON PARTICIPATION IN ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—Programs of the Asia-Pacific Center for Security Studies may not include participants who are members of the armed forces of Indonesia or any representatives of the armed forces of Indonesia.

(5) PROHIBITION ON ASSISTANCE THROUGH MILITARY-TO-MILITARY CONTACTS.—The authority for military-to-military contacts and comparable activities under section 168 of title 10, United States Code, may not be exercised in a manner that provides any assistance to the government or armed forces of Indonesia.

(b) INAPPLICABILITY TO CERTAIN ITEMS AND SERVICES ON THE UNITED STATES MUNITIONS LIST.—Paragraphs (2) and (3) of subsection (a) do not apply to the export, delivery, or servicing of any item or service that, while on the Commerce Control List of dual-use items in the Export Administration Regulations, was licensed by the Department of Commerce for export to Indonesia but is in a category of items or services that, within two years before the date of the enactment of this Act, was transferred by law to the United States Munitions List for control under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) CONDITIONS FOR TERMINATION.—Subject to subsection (b), the measures described in subsection (a) shall apply with respect to the government and armed forces of Indonesia until the President determines and certifies to the appropriate congressional committees that the Indonesian government and the Indonesian armed forces are—

(1) taking effective measures to bring to justice members of the Indonesian armed forces and militia groups against whom there is credible evidence of human rights violations;

(2) demonstrating a commitment to accountability by cooperating with investigations and prosecutions of members of the Indonesian armed forces and militia groups responsible for human rights violations in Indonesia and East Timor;

(3) taking effective measures to bring to justice members of the Indonesian armed forces against whom there is credible evidence of aiding or abetting militia groups;

(4) allowing displaced persons and refugees to return home to East Timor, including providing safe passage for refugees returning from West Timor;

(5) not impeding the activities of the International Force in East Timor (INTERFET) or its successor, the United Nations Transitional Administration in East Timor (UNTAET);

(6) ensuring freedom of movement in West Timor, including by humanitarian organizations; and

(7) demonstrating a commitment to preventing incursions into East Timor by members of militia groups in West Timor.

SEC. ___04. MULTILATERAL EFFORTS.

The President should continue to coordinate with other countries, particularly member states of the Asia-Pacific Economic Cooperation (APEC) Forum, to develop a comprehensive, multilateral strategy to further the purposes of this Act, including urging other countries to take measures similar to those described in this title.

SEC. ___05. REPORT.

Not later than 30 days after the date of enactment of this Act, and every 6 months thereafter until the end of the UNTAET mandate, the Secretary of State shall submit a report to the appropriate congressional committees on the progress of the Indonesian government toward the meeting the conditions contained in paragraphs (1) through (7) of section ___03(c) and on the progress of East Timor toward becoming an independent nation.

SEC. ___06. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

HUTCHISON (AND BROWNBACK) AMENDMENTS NOS. 2668–2669

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself and Mr. BROWNBACK) submitted 2 amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2668

At the appropriate place in the bill, add the following:

SEC. 1. HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act.

SEC. 2. SENIOR CITIZEN EXEMPTION

The provisions relating to a Federal homestead exemption shall not apply to debtors who are 65 years of age or older.

AMENDMENT NO. 2669

At the appropriate place in the bill, add the following:

SEC. ___. HOMESTEAD EXEMPTION OPT OUT.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. This paragraph shall not apply to the status of Alabama and Wisconsin.

BROWNBACK AMENDMENTS NOS. 2670–2741

(Ordered to lie on the table.)

Mr. BROWNBACK submitted 72 amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2670

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''34 percent''.

AMENDMENT NO. 2671

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''45 percent''.

AMENDMENT NO. 2672

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''46 percent''.

AMENDMENT NO. 2673

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''47 percent''.

AMENDMENT NO. 2674

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''48 percent''.

AMENDMENT NO. 2675

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''29 percent''.

AMENDMENT NO. 2676

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''30 percent''.

AMENDMENT NO. 2677

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''31 percent''.

AMENDMENT NO. 2678

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''32 percent''.

AMENDMENT NO. 2679

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''33 percent''.

AMENDMENT NO. 2680

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''49 percent''.

AMENDMENT NO. 2681

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''41 percent''.

AMENDMENT NO. 2682

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''42 percent''.

AMENDMENT NO. 2683

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''43 percent''.

AMENDMENT NO. 2684

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''44 percent''.

AMENDMENT NO. 2685

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''46 percent''.

AMENDMENT NO. 2686

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''79 percent''.

AMENDMENT NO. 2687

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''39 percent''.

AMENDMENT NO. 2688

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''45 percent''.

AMENDMENT NO. 2689

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''44 percent''.

AMENDMENT NO. 2690

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''64 percent''.

AMENDMENT NO. 2691

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''65 percent''.

AMENDMENT NO. 2692

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''66 percent''.

AMENDMENT NO. 2693

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''67 percent''.

AMENDMENT NO. 2694

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''68 percent''.

AMENDMENT NO. 2695

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''69 percent''.

AMENDMENT NO. 2696

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''70 percent''.

AMENDMENT NO. 2697

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''71 percent''.

AMENDMENT NO. 2698

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''72 percent''.

AMENDMENT NO. 2699

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''73 percent''.

AMENDMENT NO. 2700

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''74 percent''.

AMENDMENT NO. 2701

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''75 percent''.

AMENDMENT NO. 2702

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''76 percent''.

AMENDMENT NO. 2703

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''77 percent''.

AMENDMENT NO. 2704

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''78 percent''.

AMENDMENT NO. 2705

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''29 percent''.

AMENDMENT NO. 2706

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''30 percent''.

AMENDMENT NO. 2707

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''31 percent''.

AMENDMENT NO. 2708

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''32 percent''.

AMENDMENT NO. 2709

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''33 percent''.

AMENDMENT NO. 2710

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''34 percent''.

AMENDMENT NO. 2711

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''35 percent''.

AMENDMENT NO. 2712

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''36 percent''.

AMENDMENT NO. 2713

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''37 percent''.

AMENDMENT NO. 2714

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''40 percent''.

AMENDMENT NO. 2715

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''41 percent''.

AMENDMENT NO. 2716

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''38 percent''.

AMENDMENT NO. 2717

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''56 percent''.

AMENDMENT NO. 2718

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''57 percent''.

AMENDMENT NO. 2719

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''58 percent''.

AMENDMENT NO. 2720

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''59 percent''.

AMENDMENT NO. 2721

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''60 percent''.

AMENDMENT NO. 2722

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''61 percent''.

AMENDMENT NO. 2723

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''42 percent''.

AMENDMENT NO. 2724

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''43 percent''.

AMENDMENT NO. 2725

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''47 percent''.

AMENDMENT NO. 2726

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''48 percent''.

AMENDMENT NO. 2727

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''49 percent''.

AMENDMENT NO. 2728

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''50 percent''.

AMENDMENT NO. 2729

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''51 percent''.

AMENDMENT NO. 2730

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''52 percent''.

AMENDMENT NO. 2731

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''53 percent''.

AMENDMENT NO. 2732

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''54 percent''.

AMENDMENT NO. 2733

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''55 percent''.

AMENDMENT NO. 2734

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''62 percent''.

AMENDMENT NO. 2735

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER AGGREGATE DEBT.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''80 percent'' and inserting ''63 percent''.

AMENDMENT NO. 2736

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''35 percent''.

AMENDMENT NO. 2737

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''36 percent''.

AMENDMENT NO. 2738

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''37 percent''.

AMENDMENT NO. 2739

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''38 percent''.

AMENDMENT NO. 2740

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''39 percent''.

AMENDMENT NO. 2741

On page 268, after line 16, insert the following:

SEC. 1005. FAMILY FARMER FARMING INCOME.

Section 101(18)(A) of title 11, United States Code, is amended by striking ''50 percent'' and inserting ''40 percent''.

GREGG (AND OTHERS) AMENDMENT NO. 2742

(Ordered to lie on the table.)

Mr. GREGG (for himself, Ms. COLLINS, Mr. ABRAHAM, Mr. COVERDELL, Mr. FRIST, Mr. BROWNBACK, and Mr. HUTCHINSON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new titles:

TITLE ___—TEACHER EMPOWERMENT

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Teacher Empowerment Act''.

SEC. ___02. TEACHER EMPOWERMENT.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by striking the heading for title II and inserting the following:

''TITLE II—TEACHER QUALITY'';

(2) by repealing sections 2001 through 2003; and

(3) by amending part A to read as follows:

''PART A—TEACHER EMPOWERMENT

''SEC. 2001. PURPOSE.

''The purpose of this part is to provide grants to States and local educational agencies, in order to assist their efforts to increase student academic achievement through such strategies as improving teacher quality.

''Subpart 1—Grants to States

''SEC. 2011. FORMULA GRANTS TO STATES.

''(a) IN GENERAL.—In the case of each State that, in accordance with section 2014, submits to the Secretary and obtains approval of an application for a fiscal year, the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allotment determined for the State under subsection (b).

''(b) DETERMINATION OF AMOUNT OF ALLOTMENT.—

''(1) RESERVATION OF FUNDS.—

''(A) IN GENERAL.—From the total amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

''(i) ½ of 1 percent for allotments for the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among those outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

''(ii) ½ of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

''(B) LIMITATION.—In reserving an amount for the purposes described in clauses (i) and (ii) of subparagraph (A) for a fiscal year, the Secretary shall not reserve more than the total amount the outlying areas and the schools operated or funded by the Bureau of Indian Affairs received under the authorities described in paragraph (2)(A)(i) for fiscal year 1999.

''(2) STATE ALLOTMENTS.—

''(A) HOLD HARMLESS.—

''(i) IN GENERAL.—Subject to subparagraph (B), from the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 1999 under—

''(I) section 2202(b) of this Act (as in effect on the day before the date of enactment of the Teacher Empowerment Act); and

''(II) section 307 of the Department of Education Appropriations Act, 1999.

''(ii) RATABLE REDUCTION.—If the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for any fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

''(B) ALLOTMENT OF ADDITIONAL FUNDS.—

''(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the total amount made available to carry out this subpart and not reserved under paragraph (1) exceeds the total amount made available to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico for fiscal year 1999 under the authorities described in subparagraph (A)(i), the Secretary shall allot to each of those States the sum of—

''(I) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined; and

''(II) an amount that bears the same relationship to 50 percent of the excess amount as the number of individuals age 5 through 17 from families with incomes below the poverty line in the State, as determined by the Secretary on the basis of the most recent satisfactory data, bears to the number of those individuals in all such States, as so determined.

''(ii) EXCEPTION.—No State receiving an allotment under clause (i) may receive less than ½ of 1 percent of the total excess amount allotted under clause (i) for a fiscal year.

''(3) REALLOTMENT.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallot such amount to the remaining States in accordance with this subsection.

''SEC. 2012. ALLOCATIONS WITHIN STATES.

''(a) USE OF FUNDS.—Each State receiving a grant under this subpart shall use the funds provided under the grant in accordance with this section to carry out activities for the improvement of teaching and learning.

''(b) REQUIRED AND AUTHORIZED EXPENDITURES.—

''(1) REQUIRED EXPENDITURES.—The Secretary may make a grant to a State under this subpart only if the State agrees to expend not less than 90 percent of the amount of the funds provided under the grant for the purpose of making subgrants to local educational agencies and eligible partnerships (as defined in section 2021(d)), in accordance with subsection (c).

''(2) AUTHORIZED EXPENDITURES.—A State that receives a grant under this subpart may expend a portion equal to not more than 10 percent of the amount of the funds provided under the grant for 1 or more of the authorized State activities described in section 2013 or to make grants to eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of such portion may be used for planning and administration related to carrying out such purpose).

''(c) DISTRIBUTION OF SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE PARTNERSHIPS.—

''(1) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to subparagraph (B), a State receiving a grant under this subpart shall distribute a portion equal to 80 percent of the amount described in subsection (b)(1) by allocating to each eligible local educational agency the sum of—

''(i) an amount that bears the same relationship to 50 percent of the portion as the number of individuals enrolled in public and private nonprofit elementary schools and secondary schools in the geographic area served by the agency bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State; and

''(ii) an amount that bears the same relationship to 50 percent of the portion as the number of individuals age 5 through 17 from families with incomes below the poverty line, in the geographic area served by the agency, as determined by the Secretary on

the basis of the most recent satisfactory data, bears to the number of those individuals in the geographic areas served by all the local educational agencies in the State, as so determined.

''(B) ALTERNATIVE FORMULA.—A State may increase the percentage described in subparagraph (A)(ii) (and commensurately decrease the percentage described in subparagraph (A)(i)).

''(C) USE OF FUNDS.—The State shall make subgrants to local educational agencies from allocations made under this paragraph to enable the agencies to carry out subpart 3.

''(2) COMPETITIVE SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE PARTNERSHIPS.—

''(A) COMPETITIVE PROCESS.—A State receiving a grant under this subpart shall distribute a portion equal to 20 percent of the amount described in subsection (b)(1) through a competitive process.

''(B) PARTICIPANTS.—The competitive process carried out under subparagraph (A) shall be open to local educational agencies and eligible partnerships (as defined in section 2021(d)). In carrying out the process, the State shall give priority to high-need local educational agencies that focus on math, science, or reading professional development programs.

''(C) SUBGRANTS TO ELIGIBLE PARTNERSHIPS.—A State receiving a grant under this subpart shall distribute at least 3 percent of the portion described in subparagraph (A) to the eligible partnerships through the competitive process.

''(D) USE OF FUNDS.—In distributing funds under this paragraph, the State shall make subgrants—

''(i) to local educational agencies to enable the agencies to carry out subpart 3; and

''(ii) to the eligible partnerships to enable the partnerships to carry out subpart 2 (but not more than 5 percent of the funds made available to the eligible partnerships through the subgrants may be used for planning and administration related to carrying out such purpose).

''SEC. 2013. STATE USE OF FUNDS.

''(a) AUTHORIZED STATE ACTIVITIES.—The authorized State activities referred to in section 2012(b)(2) are the following:

''(1) Reforming teacher certification (including recertification) or licensure requirements to ensure that—

''(A) teachers have the necessary teaching skills and academic content knowledge in the academic subjects in which the teachers are assigned to teach;

''(B) the requirements are aligned with the State's challenging State content standards; and

''(C) teachers have the knowledge and skills necessary to help students meet challenging State student performance standards.

''(2) Carrying out programs that—

''(A) include support during the initial teaching experience, such as mentoring programs; and

''(B) establish, expand, or improve alternative routes to State certification of teachers for highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction who demonstrate the potential to become highly effective teachers.

''(3) Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

''(4) Reforming tenure systems and implementing teacher testing and other procedures to remove expeditiously incompetent and ineffective teachers from the classroom.

''(5) Developing or improving systems of performance measures to evaluate the effectiveness of professional development programs and activities in improving teacher quality, skills, and content knowledge, and increasing student achievement.

''(6) Developing or improving systems to evaluate the impact of teachers on student achievement.

''(7) Providing technical assistance to local educational agencies consistent with this part.

''(8) Funding projects to promote reciprocity of teacher certification or licensure between or among States, except that no reciprocity agreement developed under this paragraph or developed using funds provided under this part may lead to the weakening of any State teaching certification or licensing requirement.

''(9) Developing or assisting local educational agencies or eligible partnerships (as defined in section 2021(d)) in the development and utilization of proven, innovative strategies to deliver intensive professional development programs and activities that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

''(b) COORDINATION.—A State that receives a grant to carry out this subpart and a grant under section 202 of the Higher Education Act of 1965 (20 U.S.C. 1022) shall coordinate the activities carried out under this section and the activities carried out under that section 202.

''(c) PUBLIC ACCOUNTABILITY.—

''(1) IN GENERAL.—A State that receives a grant under this subpart—

''(A) in the event the State provides public State report cards on education, shall include in such report cards information on the State's progress with respect to—

''(i) subject to paragraph (2), improving student academic achievement, as defined by the State;

''(ii) closing academic achievement gaps, as defined by the State, between groups described in paragraph (2)(A)(i); and

''(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers; or

''(B) in the event the State provides no such report card, shall publicly report the information described in subparagraph (A) through other means.

''(2) DISAGGREGATED DATA.—The information described in clauses (i) and (ii) of paragraph (1)(A) and clauses (i) and (ii) of section 2014(b)(2)(A) shall be—

''(A) disaggregated—

''(i) by minority and non-minority group and by low-income and non-low-income group; and

''(ii) using assessments under section 1111(b)(3); and

''(B) publicly reported in the form of disaggregated data only when such data are statistically sound.

''(3) PUBLIC AVAILABILITY.—Such information shall be made widely available to the public, including parents and students, through major print and broadcast media outlets throughout the State.

''SEC. 2014. APPLICATIONS BY STATES.

''(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(b) CONTENTS.—Each application submitted under this section shall include the following:

''(1) A description of how the State will ensure that a local educational agency receiving a subgrant to carry out subpart 3 will comply with the requirements of such subpart.

''(2)(A) A description of the performance indicators that the State will use to measure the annual progress of the local educational agencies and schools in the State with respect to—

''(i) subject to section 2013(c)(2), improving student academic achievement, as defined by the State;

''(ii) closing academic achievement gaps, as defined by the State, between groups described in section 2013(c)(2)(A)(i); and

''(iii) increasing the percentage of classes in core academic subjects that are taught by highly qualified teachers.

''(B) An assurance that the State will require each local educational agency and school in the State receiving funds under this part to publicly report information on the agency's or school's annual progress, as measured by the performance indicators.

''(3) A description of how the State will hold the local educational agencies and schools accountable for making annual gains toward meeting the performance indicators described in paragraph (2).

''(4)(A) A description of how the State will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

''(B) A description of the comprehensive strategy that the State will use as part of the effort to carry out the coordination, to ensure that teachers are trained in the utilization of technology so that technology and technology applications are effectively used in the classroom to improve teaching and learning in all curriculum areas and academic subjects, as appropriate.

''(5) A description of how the State will encourage the development of proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

''(c) APPLICATION SUBMISSION.—A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.

''Subpart 2—Subgrants to Eligible Partnerships

''SEC. 2021. PARTNERSHIP GRANTS.

''(a) IN GENERAL.—From the amount described in section 2012(c)(2)(C), the State agency for higher education, working in conjunction with the State educational agency (if such agencies are separate), shall award subgrants on a competitive basis under section 2012(c) to eligible partnerships to enable such partnerships to carry out activities described in subsection (b). Such subgrants shall be equitably distributed by geographic area within the State.

''(b) USE OF FUNDS.—An eligible partnership that receives funds under section 2012 shall use the funds for—

''(1) professional development activities in core academic subjects to ensure that teachers have content knowledge in the academic subjects that the teachers teach; and

''(2) developing and providing assistance to local educational agencies and the teachers, principals, and administrators of public and private schools served by each such agency,

for sustained, high-quality professional development activities that—

''(A) ensure the agencies and individuals are able to use State content standards, performance standards, and assessments to improve instructional practices and improve student achievement; and

''(B) may include intensive programs designed to prepare teachers who will return to a school to provide such instruction to other teachers within such school.

''(c) SPECIAL RULE.—No single participant in an eligible partnership may use more than 50 percent of the funds made available to the partnership under section 2012.

''(d) COORDINATION.—An eligible partnership that receives a grant to carry out this subpart and a grant under section 203 of the Higher Education Act of 1965 (20 U.S.C. 1023) shall coordinate the activities carried out under this section and the activities carried out under that section 203.

''(e) ELIGIBLE PARTNERSHIP.—In this section, the term 'eligible partnership' means an entity that—

''(1) shall include—

''(A) a high-need local educational agency;

''(B) a school of arts and sciences; and

''(C) an institution that prepares teachers; and

''(2) may include other local educational agencies, a public charter school, a public or private elementary school or secondary school, an educational service agency, a public or private nonprofit educational organization, or a business.

''Subpart 3—Subgrants to Local Educational Agencies

''SEC. 2031. LOCAL USE OF FUNDS.

''(a) REQUIRED ACTIVITIES.—

''(1) IN GENERAL.—Each local educational agency that receives a subgrant to carry out this subpart shall use the subgrant to carry out the activities described in this subsection.

''(2) REQUIRED PROFESSIONAL DEVELOPMENT ACTIVITIES.—

''(A) MATHEMATICS AND SCIENCE.—

''(i) IN GENERAL.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities in mathematics and science in accordance with section 2032.

''(ii) GRANDFATHER OF OLD WAIVERS.—A waiver provided to a local educational agency under part D of title XIV prior to the date of enactment of the Teacher Empowerment Act shall be deemed to be in effect until such time as the waiver otherwise would have ceased to be effective.

''(B) PROFESSIONAL DEVELOPMENT ACTIVITIES.—Each local educational agency that receives a subgrant to carry out this subpart shall use a portion of the funds made available through the subgrant for professional development activities that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local content standards and student performance standards. Such activities shall be consistent with section 2032.

''(b) ALLOWABLE ACTIVITIES.—Each local educational agency that receives a subgrant to carry out this subpart may use the funds made available through the subgrant to carry out the following activities:

''(1) Recruiting and hiring certified or licensed teachers, including teachers certified through State and local alternative routes, in order to reduce class size, or hiring special education teachers.

''(2) Initiatives to assist in recruitment of highly qualified teachers who will be assigned teaching positions within their fields, including—

''(A) providing signing bonuses or other financial incentives, such as differential pay, for teachers to teach in academic subjects in which there exists a shortage of such teachers within a school or the area served by the local educational agency;

''(B) establishing programs that—

''(i) recruit professionals from other fields and provide such professionals with alternative routes to teacher certification; and

''(ii) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession; and

''(C) implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool of teachers, such as identifying teachers certified through alternative routes, and by implementing a system of intensive screening designed to hire the most qualified applicants.

''(3) Initiatives to promote retention of highly qualified teachers and principals, including—

''(A) programs that provide mentoring to newly hired teachers, such as mentoring from master teachers, and to newly hired principals; and

''(B) programs that provide other incentives, including financial incentives, to retain teachers who have a record of success in helping low-achieving students improve their academic success.

''(4) Programs and activities that are designed to improve the quality of the teacher force, such as—

''(A) innovative professional development programs (which may be through partnerships including institutions of higher education), including programs that train teachers to utilize technology to improve teaching and learning, that are consistent with the requirements of section 2032;

''(B) development and utilization of proven, cost-effective strategies for the implementation of professional development activities, such as through the utilization of technology and distance learning;

''(C) professional development programs that provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented); and

''(D) professional development programs that provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subparagraph (C) to learn.

''(5) Programs and activities related to—

''(A) tenure reform;

''(B) provision of merit pay; and

''(C) testing of elementary school and secondary school teachers in the academic subjects taught by such teachers.

''(6) Activities that provide teacher opportunity payments, consistent with section 2033.

''SEC. 2032. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

''(a) LIMITATION RELATING TO CURRICULUM AND ACADEMIC SUBJECTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), funds made available to carry out this subpart may not be provided for a teacher and a professional development activity if the activity is not—

''(A) directly related to the curriculum and academic subjects in which the teacher provides instruction; or

''(B) designed to enhance the ability of the teacher to understand and use State standards for the academic subjects in which the teacher provides instruction.

''(2) EXCEPTION.—Paragraph (1) shall not be construed to prohibit the use of the funds for professional development activities that provide instruction described in subparagraphs (C) and (D) of section 2031(b)(4).

''(b) OTHER REQUIREMENTS.—Professional development activities provided under this subpart—

''(1) shall be measured, in terms of progress, using the specific performance indicators established by the State involved in accordance with section 2014(b)(2);

''(2) shall be tied to challenging State or local content standards and student performance standards;

''(3) shall be tied to scientifically based research demonstrating the effectiveness of the activities in increasing student achievement or substantially increasing the knowledge and teaching skills of the teachers participating in the activities;

''(4) shall be of sufficient intensity and duration to have a positive and lasting impact on the performance of a teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this paragraph shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by the teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved; and

''(5) shall be developed with extensive participation of teachers, principals, and administrators of schools to be served under this part.

''(c) ACCOUNTABILITY AND REQUIRED PAYMENTS.—

''(1) IN GENERAL.—A State shall notify a local educational agency that the agency may be subject to the requirement of paragraph (3) if, after any fiscal year, the State determines that the professional development activities funded by the agency under this subpart fail to meet the requirements of subsections (a) and (b).

''(2) TECHNICAL ASSISTANCE.—A local educational agency that has received notification pursuant to paragraph (1) may request technical assistance from the State in order to provide the opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

''(3) REQUIREMENT TO PROVIDE TEACHER OPPORTUNITY PAYMENTS.—

''(A) IN GENERAL.—A local educational agency that has received notification from the State pursuant to paragraph (1) during any 2 consecutive fiscal years shall expend under section 2033 for the succeeding fiscal year a proportion of the funds made available to the agency to carry out this subpart equal to the proportion of such funds expended by the agency for professional development activities for the second fiscal year in which the agency received the notification.

''(B) REQUESTS.—On request by a group of teachers in schools served by the local educational agency, the agency shall use a portion of the funds provided to the agency to carry out this subpart, to provide payments in accordance with section 2033.

''(d) DEFINITION.—In this section, the term 'professional development activity' means an activity described in subsection (a)(2) or (b)(4) of section 2031.

''SEC. 2033. TEACHER OPPORTUNITY PAYMENTS.

''(a) IN GENERAL.—A local educational agency receiving funds to carry out this subpart may (or in the case of section 2032(c)(3), shall) provide payments directly to a teacher or a group of teachers seeking opportunities to participate in a professional development activity of their choice.

''(b) NOTICE TO TEACHERS.—Each local educational agency distributing payments under this section—

''(1) shall establish and implement a timely process through which proper notice of availability of the payments will be given to all teachers in schools served by the agency; and

''(2) shall develop a process through which teachers will be specifically recommended by principals to participate in such opportunities by virtue of—

''(A) the teachers' lack of full certification or licensing to teach the academic subjects in which the teachers teach; or

''(B) the teachers' need for additional assistance to ensure that their students make progress toward meeting challenging State content standards and student performance standards.

''(c) SELECTION OF TEACHERS.—In the event adequate funding is not available to provide payments under this section to all teachers seeking such payments, or recommended under subsection (b)(2), a local educational agency shall establish procedures for selecting teachers for the payments, which shall provide priority for those teachers recommended under subsection (b)(2).

''(d) ELIGIBLE ACTIVITY.—A teacher receiving a payment under this section shall have the choice of attending any professional development activity that meets the criteria set forth in subsections (a) and (b) of section 2032.

''SEC. 2034. LOCAL APPLICATIONS.

''(a) IN GENERAL.—A local educational agency seeking to receive a subgrant from a State to carry out this subpart shall submit an application to the State—

''(1) at such time as the State shall require; and

''(2) that is coordinated with other programs carried out under this Act (other than programs carried out under this subpart).

''(b) LOCAL APPLICATION CONTENTS.—The local application described in subsection (a) shall include, at a minimum, the following:

''(1) A description of how the local educational agency intends to use funds provided to carry out this subpart.

''(2) An assurance that the local educational agency will target funds to schools served by the local educational agency that—

''(A) have the lowest proportions of highly qualified teachers; or

''(B) are identified for school improvement under section 1116(c).

''(3) A description of how the local educational agency will coordinate professional development activities authorized under this subpart with professional development activities provided through other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.).

''(4) A description of how the local educational agency will integrate funds received to carry out this subpart with funds received under title III that are used for professional development to train teachers in how to use technology to improve learning and teaching.

''(5) A description of how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the application.

''(c) PARENTS' RIGHT-TO-KNOW.—A local educational agency that receives funds to carry out this subpart shall provide, upon request and in an understandable and uniform format, to any parent of a student attending any school receiving funds under this subpart from the agency, information regarding the professional qualifications of the student's classroom teachers, including, at a minimum, whether the teachers are highly qualified.

''Subpart 4—National Activities

''SEC. 2041. ALTERNATIVE ROUTES TO TEACHING.

''(a) TEACHER EXCELLENCE ACADEMIES.—The Secretary may award grants on a competitive basis to eligible consortia to carry out activities described in this section.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—An eligible consortium receiving funds under this section shall use the funds to pay the costs associated with the establishment or expansion of a teacher academy, in an elementary school or secondary school facility, that carries out—

''(A) the activities promoting alternative routes to State teacher certification specified in paragraph (2); or

''(B) the model professional development activities specified in paragraph (3).

''(2) PROMOTING ALTERNATIVE ROUTES TO TEACHER CERTIFICATION.—The activities promoting alternative routes to State teacher certification specified in this paragraph are the design and implementation of a course of study and activities providing an alternative route to State teacher certification that—

''(A) provide opportunities to highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction;

''(B) provide stipends, for not more than 2 years, to permit individuals described in subparagraph (A) to participate as student teachers able to fill teaching needs in academic subjects in which there is a demonstrated shortage of teachers;

''(C) provide for the recruitment and hiring of master teachers to mentor and train student teachers within such academies; and

''(D) include a reasonable service requirement for individuals completing the course of study and alternative certification activities established by the eligible consortium.

''(3) MODEL PROFESSIONAL DEVELOPMENT.—The model professional development activities specified in this paragraph are activities providing ongoing professional development opportunities for teachers, such as—

''(A) innovative programs and model curricula in the area of professional development, which may serve as models to be disseminated to other schools and local educational agencies; and

''(B) the development of innovative techniques for evaluating the effectiveness of professional development programs.

''(c) GRANT FOR SPECIAL CONSORTIUM.—In making grants under this section, the Secretary shall award not less than 1 grant to an eligible consortium that—

''(1) includes a high-need local educational agency located in a rural area; and

''(2) proposes activities that involve the extensive use of distance learning in order to provide the applicable course work to student teachers.

''(d) SPECIAL RULE.—No single participant in an eligible consortium may use more than 50 percent of the funds made available to the consortium under this section.

''(e) APPLICATION.—To be eligible to receive a grant under this section, an eligible consortium shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(f) ELIGIBLE CONSORTIUM.—In this section, the term 'eligible consortium' means a consortium for a State that—

''(1) shall include—

''(A) the State agency responsible for certifying or licensing teachers;

''(B) not less than 1 high-need local educational agency;

''(C) a school of arts and sciences; and

''(D) an institution that prepares teachers; and

''(2) may include local educational agencies, public charter schools, public or private elementary schools or secondary schools, educational service agencies, public or private nonprofit educational organizations, museums, or businesses.

''SEC. 2042. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.

''The Secretary may award a grant or contract, in consultation with the Director of the National Science Foundation, to an entity to continue the Eisenhower National Clearinghouse for Mathematics and Science Education.

''Subpart 5—Funding

''SEC. 2051. AUTHORIZATION OF APPROPRIATIONS.

''(a) FISCAL YEAR 2000.—There are authorized to be appropriated to carry out this part $1,558,000,000 for fiscal year 2000, of which $15,000,000 shall be available to carry out subpart 4.

''(b) OTHER FISCAL YEARS.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal years 2001 through 2004.

''Subpart 6—General Provisions

''SEC. 2061. DEFINITIONS.

''In this part:

''(1) ARTS AND SCIENCES.—The term 'arts and sciences' has the meaning given the term in section 201(b) of the Higher Education Act of 1965 (20 U.S.C. 1021(b)).

''(2) HIGHLY QUALIFIED.—The term 'highly qualified' means—

''(A) with respect to an elementary school teacher, a teacher—

''(i) with an academic major in the arts and sciences; or

''(ii) who can demonstrate competence through a high level of performance in core academic subjects; and

''(B) with respect to a secondary school teacher, a teacher—

''(i) with an academic major in the academic subject in which the teacher teaches or in a related field;

''(ii) who can demonstrate a high level of competence through rigorous academic subject tests; or

''(iii) who can demonstrate competence through a high level of performance in relevant content areas.

''(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

''(A) a high percentage of individuals from families with incomes below the poverty line;

''(B) a high percentage of secondary school teachers not teaching in the academic subject in which the teachers were trained to teach; or

''(C) a high teacher turnover rate.

''(4) OUT-OF-FIELD TEACHER.—The term 'out-of-field teacher' means a teacher—

''(A) teaching an academic subject for which the teacher is not highly qualified, as determined by the State involved; or

''(B) who did not receive a degree from an institution of higher education with a major or minor in the field in which the teacher teaches.

''(5) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block

Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

''(6) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research'—

''(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to professional development of teachers; and

''(B) includes research that—

''(i) employs systematic, empirical methods that draw on observation or experiment;

''(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

''(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

''(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.''.

(b) CONFORMING AMENDMENT.—Section 13302(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8672(1)) is amended by striking ''2102(b)'' and inserting ''2042''.

SEC. ___03. GENERAL PROVISIONS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by repealing part D;

(2) by redesignating part E as part C; and

(3) by repealing sections 2401 and 2402 and inserting the following:

''SEC. 2401. PROHIBITION ON MANDATORY NATIONAL CERTIFICATION OR LICENSING OF TEACHERS.

''(a) PROHIBITION ON MANDATORY TESTING, CERTIFICATION, OR LICENSING.—Notwithstanding any other provision of law, the Secretary may not use Federal funds to plan, develop, implement, or administer any mandatory national teacher test or method of certification or licensing.

''(b) PROHIBITION ON WITHHOLDING FUNDS.—The Secretary may not withhold funds from any State or local educational agency if such State or local educational agency fails to adopt a specific method of teacher certification or licensing.

''SEC. 2402. PROVISIONS RELATED TO PRIVATE SCHOOLS.

''The provisions of sections 14503 through 14506 apply to programs carried out under this title.

''SEC. 2403. HOME SCHOOLS.

''Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether a home school is treated as a private school or home school under the law of the State involved, except that the Secretary may require that funds provided to a school under this title be used for the purposes described in this title. This section shall not be construed to bar private, religious, or home schools from participating in or receiving programs or services under this title.''.

(b) CONFORMING AMENDMENTS.—

(1) COORDINATION.—Section 1202(c)(2)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(2)(C)) is amended, in the subparagraph heading, by striking ''PART C'' and inserting ''PART B''.

(2) DEFINITION OF COVERED PROGRAM.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking ''(other than section 2103 and part D)''.

(3) PRIVATE SCHOOL PARTICIPATION.—Section 14503(b)(1)(B) (20 U.S.C. 8893(b)(1)(B)) of such Act is amended by striking ''(other than section 2103 and part D of such title)''.

TITLE ___—TEACHER LIABILITY PROTECTION

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Teacher Liability Protection Act of 1999''.

SEC. ___02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) PURPOSE.—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

SEC. ___03. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

(a) PREEMPTION.—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

SEC. ___04. LIMITATION ON LIABILITY FOR TEACHERS.

(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with State or Federal laws rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(d) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(e) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

(1) IN GENERAL.—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense as defined by applicable State law, for which the defendant had been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State Civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect subsection (a)(3) or (d).

SEC. ___05. LIABILITY FOR NONECONOMIC LOSS.

(a) GENERAL RULE.—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) AMOUNT OF LIABILITY.—

(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

SEC. ___06. DEFINITIONS.

For purposes of this title:

(1) ECONOMIC LOSS.—The term ''economic loss'' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM.—The term ''harm'' includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES.—The term ''noneconomic losses'' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) SCHOOL.—The term ''school'' means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) TEACHER.—The term ''teacher'' means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

SEC. ___07. EFFECTIVE DATE.

(a) IN GENERAL.—This title shall take effect 90 days after the date of enactment of this Act.

(b) APPLICATION.—This title applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

TITLE ___—FULL TAX DEDUCTION FOR CERTAIN PROFESSIONAL EXPENSES

SEC. ___01. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES AND QUALIFIED INCIDENTAL EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES DEDUCTION.—

(1) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (defining miscellaneous itemized deductions) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding at the end the following new paragraph:

''(13) any deduction allowable for the qualified professional development expenses of an eligible teacher.''.

(2) DEFINITIONS.—Section 67 of such Code (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

''(g) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (b)(13)—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses—

''(i) for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction, and

''(ii) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

''(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

''(i) is—

''(I) at an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this subsection), or

''(II) a professional conference, and

''(ii) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

''(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as so in effect.

''(2) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school.

''(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(b) QUALIFIED INCIDENTAL EXPENSES.—

(1) IN GENERAL.—Section 67(g)(1)(A) of the Internal Revenue Code of 1986, as added by subsection (a)(2), is amended by striking ''and'' at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

''(ii) for qualified incidental expenses, and''.

(2) DEFINITION.—Section 67(g) of such Code, as added by subsection (a)(2), is amended by adding at the end the following new paragraph:

''(3) QUALIFIED INCIDENTAL EXPENSES.—

''(A) IN GENERAL.—The term 'qualified incidental expenses' means expenses paid or incurred by an eligible teacher in an amount not to exceed $125 for any taxable year for books, supplies, and equipment related to instruction, teaching, or other educational job-related activities of such eligible teacher.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

FEINGOLD (AND SPECTER) AMENDMENTS NOS. 2743–2744

(Ordered to lie on the table.)

Mr. FEINGOLD (for himself and Mr. SPECTER) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2743

On page 12, strike line 22 and insert ''frivolous.''.

AMENDMENT NO. 2744

On page 145, between lines 15 and 16, insert the following:

SEC. 420. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915 of this title, the parties'' and inserting ''Subject to subsection (f), the parties''; and

(2) by adding at the end the following:

''(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

''(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor whose income is less than 125 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved is unable to pay that fee in installments.

''(3) A filing fee referred to in paragraph (2) is—

''(A) a filing fee under subsection (a)(1); or

''(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

''(4) In addition to waiving a fee under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual with an income at a level described in paragraph (2) is unable to pay that fee in installments.''.

FEINGOLD AMENDMENTS NOS. 2745–2750

(Ordered to lie on the table.)

Mr. FEINGOLD submitted six amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2745

At the end of title X, insert the following:

SEC. ___. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) IN GENERAL.—Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B), those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.''.

(b) MODIFICATION.—Section 1229 of title 11, United States Code, is amended by adding at the end the following:

''(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

''(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

''(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.''.

AMENDMENT NO. 2746

At the appropriate place in the bill, insert the following:

SEC. ___. DEFINITION OF FAMILY FARMER.

Section 101(18) of title 11, United States Code, is amended—

(1) in subparagraph (A) by—

(A) striking ''$1,500,000'' and inserting ''$3,000,000''; and

(B) striking ''80'' and inserting ''50''; and

(2) in subparagraph (B)(ii) by—

(A) striking ''$1,500,000'' and inserting ''$3,000,000''; and

(B) striking ''80'' and inserting ''50''.

AMENDMENT NO. 2747

At the appropriate place in title XI, insert the following:

SEC. 11___. CONSUMER CREDIT TRANSACTIONS.

(a) DEFINITION.—Section 1 of title 9, United States Code, is amended—

(1) in the section heading, by striking ''**and 'commerce' defined**'' and inserting ''**, 'commerce', 'consumer credit transaction', and 'consumer credit contract' defined**''; and

(2) by inserting before the period at the end the following: ''; 'consumer credit transaction', as herein defined, means the right granted to a natural person to incur debt and defer its payment, where the credit is intended primarily for personal, family, or household purposes; and 'consumer credit contract', as herein defined, means any contract between the parties to a consumer credit transaction.''.

(b) AGREEMENTS TO ARBITRATE.—Section 2 of title 9, United States Code, is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a written provision in any consumer credit contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract, or the refusal to perform the whole or any part thereof, shall not be valid or enforceable. Nothing in this section shall prohibit the enforcement of any written agreement to settle by arbitration a controversy arising out of a consumer credit contract, if such written agreement has been entered into by the parties to the consumer credit contract after the controversy has arisen.''.

AMENDMENT NO. 2748

On page 108, line 15, strike ''; and'' and insert a semicolon.

Beginning on page 108, strike line 18 and all that follows through page 109, line 7, and insert the following:

''(23) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property—

''(A) on which the debtor resides as a tenant under a rental agreement; and

''(B) with respect to which—

''(i) the debtor fails to make a rent payment that initially becomes due under the rental agreement or applicable State law after the date of filing of the petition, if the lessor files with the court a certification that the debtor has not made a payment for rent and serves a copy of the certification to the debtor; or

''(ii) the debtor's lease has expired according to its terms and the lessor intends to personally occupy that property, if the lessor files with the court a certification of such facts and serves a copy of the certification to the debtor;

''(24) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property, if during the 1-year period preceding the filing of the petition, the debtor—

''(A) commenced another case under this title; and

''(B) failed to make a rent payment that initially became due under an applicable rental agreement or State law after the date of filing of the petition for that other case; or

''(25) under subsection (a)(3), of an eviction action based on endangerment of property or the use of an illegal drug, if the lessor files with the court a certification that the debtor has endangered property or used an illegal drug and serves a copy of the certification to the debtor.''; and

(4) by adding at the end of the flush material at the end of the subsection the following: ''With respect to the applicability of paragraph (23) or (25) to a debtor with respect to the commencement or continuation of a proceeding described in that paragraph, the exception to the automatic stay shall become effective on the 15th day after the lessor meets the filing and notification requirements under that paragraph, unless the debtor takes such action as may be necessary to address the subject of the certification or the court orders that the exception to the automatic stay shall not become effective or provides for a later date of applicability.''.

AMENDMENT NO. 2749

At the appropriate place, insert the following:

SEC. ___. NO BANKRUPTCY FOR INSOLVENT POLITICAL COMMITTEES.

Section 105 of title 11, United States Code, is amended by inserting at the end the following:

''(e) A political committee subject to the jurisdiction of the Federal Election Commission under Federal election laws may not file for bankruptcy under this title.''.

AMENDMENT NO. 2750

At the appropriate place, insert the following:

SEC. ___. FEDERAL ELECTION LAW FINES AND PENALTIES AS NONDISCHARGEABLE DEBT.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14A) the following:

''(14B) fines or penalties imposed under Federal election law;''.

KENNEDY AMENDMENT NO. 2751

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 294 of the bill, line 24, strike ''Act.'' and insert the following: ''Act.

TITLE ____—INCREASE IN THE FEDERAL MINIMUM WAGE

SEC. ___01. FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1999''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on January 1, 2000; and

''(B) $6.15 an hour beginning on January 1, 2001;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 2000.

(c) APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

SEC. ___02. LIMITATION ON LOCATION OF PROVISION OF SERVICES.

(a) IN GENERAL.—Section 1861(ff)(2) of the Social Security Act (42 U.S.C. 1395x(ff)(2)) is amended in the matter following subparagraph (I)—

(1) by striking ''and furnished'' and inserting ''furnished''; and

(2) by inserting before the period the following: '', and furnished other than in a skilled nursing facility, residential treatment facility or other residential setting (as determined by the Secretary)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to partial hospitalization services furnished on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___03. QUALIFICATIONS FOR COMMUNITY MENTAL HEALTH CENTERS.

(a) IN GENERAL.—Section 1861(ff)(3)(B) of the Social Security Act (42 U.S.C. 1395x(ff)(3)(B)) is amended by striking ''entity'' and all that follows and inserting the following: ''entity that—

''(i)(I) provides the mental health services described in section 1913(c)(1) of the Public Health Service Act; or

''(II) in the case of an entity operating in a State that by law precludes the entity from providing a service described in such section itself, provides for such service by contract with an approved organization or entity (as determined by the Secretary);

''(ii) meets applicable licensing or certification requirements for community mental health centers in the State in which it is located; and

''(iii) meets such additional conditions as the Secretary shall specify to ensure (I) the health and safety of individuals being furnished such services, (II) the effective and efficient furnishing of such services, and (III) the compliance of such entity with the criteria described in such section.''.

(b) CLARIFICATION OF CRITERIA FOR COMMUNITY MENTAL HEALTH CENTERS.—Section

1913(c)(1)(E) of the Public Health Service Act (42 U.S.C. 300x–3(c)(1)(E)) is amended to read as follows:

''(E) Determining the clinical appropriateness of admissions to inpatient psychiatric hospitals by engaging a full-time mental health professional who is licensed or certified to make such a determination by the State involved.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to community mental health centers furnishing services under the medicare program on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___04. GUIDELINES FOR ITEMS AND SERVICES COMPRISING PARTIAL HOSPITALIZATION SERVICES.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall first adopt national coverage and administrative policies for partial hospitalization services furnished under title XVIII of the Social Security Act, using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code.

SEC. ___05. REFINEMENT OF PERIODICITY OF REVIEW OF PLAN FOR PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—Section 1835(a)(2)(F)(ii) of the Social Security Act (42 U.S.C. 1395n(a)(2)(F)(ii)) is amended by inserting ''at a reasonable rate (as determined by the Secretary)'' after ''is reviewed periodically''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to plans for furnishing partial hospitalization services established on or after the first day of the third month beginning after the date of the enactment of this Act.

SEC. ___06. RECERTIFICATION OF PROVIDERS OF PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—With respect to each community mental health center that furnishes partial hospitalization services for which payment is made under title XVIII of the Social Security Act, the Secretary of Health and Human Services shall provide for periodic recertification to ensure that the provision of such services complies with applicable requirements of such title.

(b) DEADLINE FOR FIRST RECERTIFICATION.—The first recertification under subsection (a) shall be completed not later than one year after the date of the enactment of this Act.

SEC. ___07. CIVIL MONETARY PENALTIES FOR FALSE CERTIFICATION OF ELIGIBILITY FOR HOSPICE CARE OR PARTIAL HOSPITALIZATION SERVICES.

(a) IN GENERAL.—Section 1128A(b)(3) of the Social Security Act (42 U.S.C. 1320a–7a(b)(3)) is amended—

(1) in subparagraph (A)(ii), by inserting '', hospice care, or partial hospitalization services'' after ''home health services''; and

(2) in subparagraph (B), by inserting '', section 1814(a)(7) in the case of hospice care, or section 1835(a)(2)(F) in the case of partial hospitalization services'' after ''in the case of home health services''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications of eligibility for hospice care or partial hospitalization services under the medicare program made on or after the first day of the third month beginning after the date of the enactment of this Act.

TITLE ___—SMALL BUSINESS TAX PROVISIONS

SEC. ___00. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the ''Small Business Tax Reduction Act of 1999''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Enabling Small Business to Provide Child Care, Health, and Retirement Benefits

SEC. ___01. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) (relating to allowance of deductions) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___02. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $90,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(A) to acquire, construct, rehabilitate, or expand property—

''(i) which is to be used as part of a qualified child care facility of the taxpayer,

''(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(iii) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training, or

''(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	**The applicable recapture percentage is:**
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of

any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking ''plus'' at the end of paragraph (11),

(B) by striking the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following:

''(13) the employer-provided child care credit determined under section 45D.''

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45D. Employer-provided child care credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___03. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—Solely for purposes of subparagraph (A)(i), in determining whether an individual is—

''(I) an owner-employee under section 401(c)(3), subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

''(II) a shareholder-employee under subparagraph (C), such subparagraph shall be applied by substituting '25 percent' for '5 percent'.''

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) Solely for purposes of paragraph (1)(A), in determining whether an individual is—

''(i) an owner-employee under section 401(c)(3) of the Internal Revenue Code of 1986, subparagraph (B) thereof shall be applied by substituting '25 percent' for '10 percent', and

''(ii) a shareholder-employee under paragraph (3), such paragraph shall be applied by substituting '25 percent' for '5 percent'.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. ___04. CONTRIBUTIONS TO IRAS THROUGH PAYROLL DEDUCTIONS.

(a) DEFINITIONS.—For purposes of this section—

(1) CONTRIBUTION CERTIFICATE.—The term ''contribution certificate'' means a certificate submitted by an employee to the employee's employer which—

(A) identifies the employee by name, address, and social security number,

(B) identifies the individual retirement plan to which the employee wishes to make contributions through payroll deductions, and

(C) identifies the amount of such contributions, not to exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 to an individual retirement plan for such year.

(2) EMPLOYEE.—The term ''employee'' does not include an employee as defined in section 401(c)(1) of such Code.

(3) INDIVIDUAL RETIREMENT PLANS.—The term ''individual retirement plan'' has the meaning given the term by section 7701(a)(37) of the Internal Revenue Code of 1986.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(b) ESTABLISHMENT OF PAYROLL DEDUCTION SYSTEM.—An employer may establish a system under which employees, through employer payroll deductions, may make contributions to individual retirement plans. An employer shall not incur any liability under title I of the Employee Retirement Income Security Act of 1974 in providing for such a system.

(c) CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.—

(1) IN GENERAL.—The system established under subsection (b) shall provide that contributions made to an individual retirement plan for any taxable year are—

(A) contributions through employer payroll deductions, and

(B) if the employer so elects, additional contributions by the employee which, when added to contributions under subparagraph (A), do not exceed the amount allowed under section 408 of the Internal Revenue Code of 1986 for the taxable year.

(2) EMPLOYER PAYROLL DEDUCTIONS.—

(A) IN GENERAL.—The system established under subsection (b) shall provide that an employee may establish and maintain an individual retirement plan simply by—

(i) completing a contribution certificate, and

(ii) submitting such certificate to the employee's employer in the manner provided under subparagraph (D).

(B) CHANGE OF AMOUNTS.—An employee establishing and maintaining an individual retirement plan under subparagraph (A) may change the amount of an employer payroll deduction in the same manner as under subparagraph (A).

(C) SIMPLIFIED FORMS.—

(i) CONTRIBUTION CERTIFICATE.—The Secretary shall develop a model contribution certificate for purposes of this paragraph—

(I) which is written in a clear and easily understandable manner, and

(II) the completion of which by an employee will constitute the establishment of an individual retirement plan and the request for employer payroll deductions or changes in such deductions.

(ii) AVAILABILITY.—The Secretary shall make available to all employees and employers the forms developed under this subparagraph, and shall include with such forms easy to understand explanatory materials.

(D) USE OF CERTIFICATE.—Each employer electing to adopt a system under subsection (b) shall, upon receipt of a contribution certificate from an employee, deduct the appropriate contribution as determined by such certificate from the employee's wages in equal amounts during the remaining payroll periods for the taxable year and shall remit such amounts for investment in the employee's individual retirement plan not later than the close of the 30-day period following the last day of the month in which such payroll period occurs.

(E) FAILURE TO REMIT PAYROLL DEDUCTIONS.—For purposes of the Internal Revenue Code of 1986, any amount which an employer fails to remit on behalf of an employee pursuant to a contribution certificate of such employee shall not be allowed as a deduction to the employer under such Code.

(d) ADDITIONAL INFORMATION.—

(1) IN GENERAL.—The system established under subsection (b) shall provide for the furnishing of information to employees of the opportunity of establishing individual retirement plans and of transferring amounts to such plans.

(2) INVESTMENT INFORMATION.—The employer shall also make available to employees information on how to make informed investment decisions and how to achieve retirement objectives.

(3) INFORMATION NOT INVESTMENT ADVICE.—Information provided under this subsection shall not be treated as investment advice for purposes of any Federal or State law.

SEC. ___05. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $80,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—Section 416(g) is amended—

(1) in paragraph (3)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) in the matter following subparagraph (B), by striking ''5-year period'' and inserting ''1-year period'', and

(2) in paragraph (4)(E)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(c) REQUIREMENTS FOR QUALIFICATIONS.—Clause (ii) of section 401(a)(10)(B) (relating to requirements for qualifications for top-heavy plans) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to a plan if the plan is not top-heavy and if it is not reasonable to expect that the plan will become a top-heavy plan.''.

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—

(1) IN GENERAL.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) in clause (i), by striking ''clause (ii)'' and inserting ''clause (ii) or (iii)'', and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 415(b)(5) is amended by adding at the end the following: ''An employee shall not be credited with a year of participation in a defined benefit plan for any year in which the plan does not benefit (within the meaning of section 410(b)) such employee.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___06. CREDIT FOR SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS AND START-UP COSTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section ___02, is amended by adding at the end the following new section:

''SEC. 45E. SMALL EMPLOYER PENSION PLAN CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan credit determined under this section for any taxable year is an amount equal to the sum of—

''(1) 50 percent of the qualified employer contributions of the taxpayer for the taxable year, and

''(2) 50 percent of the qualified start-up costs paid or incurred by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) LIMITS ON CONTRIBUTIONS.—For purposes of subsection (a)(1)—

''(A) qualified employer contributions may only be taken into account for each of the first 5 taxable years ending after the date the employer establishes the qualified employer plan to which the contribution is made, and

''(B) the amount of the qualified employer contributions taken into account with respect to any qualified employee for any such taxable year shall not exceed 3 percent of the compensation (as defined in section 414(s)) of the qualified employee for such taxable year.

''(2) LIMITS ON START-UP COSTS.—The amount of the credit determined under subsection (a)(2) for any taxable year shall not exceed—

''(A) $2,000 for the first taxable year ending after the date the employer established the qualified employer plan to which such costs relate,

''(B) $1,000 for each of the second and third such taxable years, and

''(C) zero for each taxable year thereafter.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any year, an employer which has no more than—

''(i) for purposes of subsection (a)(1), 25 employees, and

''(ii) for purposes of subsection (a)(2), 100 employees,

who received at least $5,000 of compensation from the employer for the preceding year.

''(B) 2-YEAR GRACE PERIOD.—An eligible employer who establishes and maintains a qualified employer plan for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer.

''(C) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, the employer and each member of any controlled group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

''(2) QUALIFIED EMPLOYER CONTRIBUTIONS.—

''(A) IN GENERAL.—The term 'qualified employer contributions' means, with respect to any taxable year, any employer contributions made on behalf of a qualified employee to a qualified employer plan for a plan year ending with or within the taxable year.

''(B) EMPLOYER CONTRIBUTIONS.—The term 'employer contributions' shall not include any elective deferral (within the meaning of section 402(g)(3)).

''(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an individual who—

''(A) is eligible to participate in the qualified employer plan to which the employer contributions are made, and

''(B) is not a highly compensated employee (within the meaning of section 414(q)) for the year for which the contribution is made.

''(4) QUALIFIED START-UP COSTS.—The term 'qualified start-up costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(A) the establishment or maintenance of a qualified employer plan in which qualified employees are eligible to participate, and

''(B) providing educational information to employees regarding participation in such plan and the benefits of establishing an investment plan.

''(5) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term in section 4972(d).

''(d) SPECIAL RULES.—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All qualified employer plans of an employer shall be treated as a single qualified employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowable under this chapter for any qualified start-up costs or qualified contributions for which a credit is determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section ___02, is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following new paragraph:

''(14) in the case of an eligible employer (as defined in section 45E(c)), the small employer pension plan credit determined under section 45E(a).''.

(c) PORTION OF CREDIT REFUNDABLE.—Section 38(c) (relating to limitation based on amount of tax) is amended by adding at the end the following new paragraph:

''(4) PORTION OF SMALL EMPLOYER PENSION PLAN CREDIT REFUNDABLE.—

''(A) IN GENERAL.—In the case of the small employer pension plan credit under subsection (b)(14), the aggregate credits allowed under subpart C shall be increased by the lesser of—

''(i) the credit which would be allowed without regard to this paragraph and the limitation under paragraph (1), or

''(ii) the amount by which the aggregate amount of credits allowed by this section (without regard to this paragraph) would increase if the limitation under paragraph (1) were increased by the taxpayer's applicable payroll taxes for the taxable year.

''(B) TREATMENT OF CREDIT.—The amount of the credit allowed under this paragraph shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit allowed under this section for the taxable year.

''(C) APPLICABLE PAYROLL TAXES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable payroll taxes' means, with respect to any taxpayer for any taxable year—

''(I) the amount of the taxes imposed by sections 3111 and 3221(a) on compensation paid by the taxpayer during the taxable year,

''(II) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer during the taxable year, and

''(III) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

''(ii) AGREEMENTS REGARDING FOREIGN AFFILIATES.—Section 24(d)(5)(C) shall apply for purposes of clause (i).''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___02, is amended by adding at the end the following new item:

''Sec. 45E. Small employer pension plan credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred or contributions made in connection with qualified employer plans established after December 31, 2000.

SEC. ___07. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. ___08. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 1999.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2000, or

(B) January 1, 2004.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. ___09. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—

(1) in clause (i), by inserting ''other than a new single-employer plan (as defined in subparagraph (F)),'' after ''single-employer plan,'',

(2) in clause (iii), by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.''.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F)(i) For purposes of this paragraph, a single-employer plan maintained by an employer shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the employer or any member of such employer's controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new single-employer plan.

''(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

''(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsor shall be aggregated for purposes of determining whether the sponsor is a small employer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___10. PHASE-IN OF ADDITIONAL PBGC PREMIUM FOR NEW PLANS.

(a) AMENDMENTS TO ERISA.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

''(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product derived by multiplying the amount determined under clause (ii) by the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year.

''(II) 20 percent, for the second plan year.

''(III) 40 percent, for the third plan year.

''(IV) 60 percent, for the fourth plan year.

''(V) 80 percent, for the fifth plan year.

''(VI) 100 percent, for the sixth plan year, and for each succeeding plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by an employer shall be treated as a new defined benefit plan if, during the 36-month period ending on the date of the adoption of the plan, the employer and each member of any controlled group including the employer (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new plan.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. ___11. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term ''new pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—The term ''eligible employer'' means an employer (or any predecessor employer) which has not established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued for service, in the 3 most recent taxable years ending prior to the first taxable year in which the request is made.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 1999.

SEC. ___12. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. ___13. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section, except that such plan shall be combined or aggregated with another plan solely for purposes of determining whether such other plan meets the requirements of subsection (b)(1)(A).''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) EARLY RETIREMENT LIMITS FOR CERTAIN PLANS.—Section 415(b)(2)(F) is amended to read as follows:

''(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

''(i) subparagraph (C) shall be applied—

''(I) by substituting 'age 62' for 'social security retirement age' each place it appears, and

''(II) as if the last sentence thereof read as follows: 'The reduction under this subparagraph shall not reduce the ,imitation of paragraph (1)(A) below (i) 80 percent of such limitation as in effect for the year, or (ii) if the benefit begins before age 55, the equivalent for such 80 percent amount for age 55.'', and

''(ii) subparagraph (D) shall be applied by substituting 'age 65' for 'social security retirement age' each place it appears.

For purposes of this subparagraph, the term 'qualified merchant marine plan' means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. ___14. PENSION REDUCTION DISCLOSURE.

(a) NOTICE REQUIRED FOR CERTAIN PLAN AMENDMENTS REDUCING FUTURE BENEFIT ACCRUALS.—

(1) GENERAL NOTICE REQUIREMENTS.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

''(h) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

''(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization representing applicable individuals), and

''(B) in the case of a large applicable pension plan—

''(i) include in the notice under paragraph (2) the additional information described in paragraph (3),

''(ii) make available the information described in paragraph (4) in accordance with such paragraph, and

''(iii) provide individual benefit statements in accordance with section 105(e).

''(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

''(A) the effective date of the amendment,

''(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) a description of the classes of applicable individuals to whom the amendment applies, and

''(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

''(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

''(A) IN GENERAL.—The information described in this paragraph is—

''(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

''(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

''(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

''(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e).

''(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary of the Treasury, and such regulations shall require that the examples—

''(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

''(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

''(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

''(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

''(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

''(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

''(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

''(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

''(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

''(5) SANCTIONS.—

''(A) IN GENERAL.—In the case of any egregious failure to meet any requirement of this subsection with respect to any plan amendment, the provisions of the applicable pension plan shall be applied as if such plan amendment entitled all applicable individuals to the greater of—

''(i) the benefits to which they would have been entitled without regard to such amendment, or

''(ii) the benefits under the plan with regard to such amendment.

''(B) EGREGIOUS FAILURE.—For purposes of subparagraph (A), there is an egregious failure to meet the requirements of this subsection if such failure is—

''(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator discovers an unintentional failure to meet the requirements of this subsection),

''(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

''(iii) a failure which is determined to be egregious under regulations prescribed by the Secretary of the Treasury.

''(C) EXCISE TAX.—For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

''(6) SPECIAL RULES.—

''(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

''(B) NOTICE TO DESIGNEES.—The notice and information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(7) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary of the Treasury may—

''(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

''(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

''(ii) such other methods are adequate to reasonably inform plan participants who are applicable individuals of the impact of the reductions,

''(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

''(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

''(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

''(8) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

''(A) each participant in the plan, and

''(B) each beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under a qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)),

whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

''(9) TERMS RELATING TO PLANS.—For purposes of this subsection—

''(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(i) a defined benefit plan, or

''(ii) an individual account plan which is subject to the funding standards of section 302.

''(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.''

(2) INDIVIDUAL STATEMENTS.—Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by adding at the end the following new subsection:

''(e)(1) The plan administrator of a large applicable pension plan shall furnish an individual statement described in paragraph (2) to each individual—

''(A) who receives, or is entitled to receive, under section 204(h) the information described in paragraph (3) thereof from such administrator, and

''(B) who requests in writing such a statement from such administrator.

''(2) The statement described in this paragraph is a statement which provides information which is substantially the same as the information in the illustrative examples described in section 204(h)(3)(B) but which is based on data specific to the requesting individual and, if the individual so requests, information as of 1 other future date not included in such examples.

''(3) Paragraph (1) shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in section 204(h)(2) is provided. In no case shall an individual be entitled under this subsection to receive more than one such statement with respect to an amendment.

''(4) Notwithstanding section 502(c)(1), the statement required by paragraph (1) shall be treated as timely furnished if furnished on or before—

''(A) the date which is 90 days after the effective date of the plan amendment to which is relates, or

''(B) such later date as may be permitted by the Secretary of Labor.

''(5) Any term used in this subsection which is used in section 204(h) shall have the meaning given such term by such section.

''(6) A statement under this subsection shall not be taken into account for purposes of subsection (b).''

(b) EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.—

(1) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

''SEC. 4980F. FAILURE OF DEFINED BENEFIT PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of a plan administrator of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

''(A) IN GENERAL.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000 ($1,000,000 in the case of a large applicable pension plan).

''(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PENSION PLAN AMENDMENTS REDUCING ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended so as to provide for a significant reduction in the rate of future benefit accrual of 1 or more applicable individuals, the plan administrator shall—

''(A) not later than the 45th day before the effective date of the amendment, provide the written notice described in paragraph (2) to each applicable individual (and to each employee organization (as defined in section 3(4) of the Employee Retirement Income Security Act of 1974) representing applicable individuals), and

''(B) in the case of a large applicable pension plan—

''(i) include in the notice under paragraph (2) the additional information described in paragraph (3), and

''(ii) make available the information described in paragraph (4) in accordance with such paragraph.

''(2) BASIC WRITTEN NOTICE.—The notice under paragraph (1) shall include a summary of the important terms of the amendment, including—

''(A) the effective date of the amendment,

''(B) a statement that the amendment is expected to significantly reduce the rate of future benefit accrual,

''(C) a description of the classes of applicable individuals to whom the amendment applies, and

''(D) a description of how the amendment significantly reduces the rate of future benefit accrual.

''(3) ADDITIONAL INFORMATION TO BE PROVIDED BY LARGE APPLICABLE PENSION PLANS.—

''(A) IN GENERAL.—The information described in this paragraph is—

''(i) a description of the plan's benefit formulas (including formulas for determining early retirement benefits) both before and after the amendment and an explanation of the effect of the different formulas on applicable individuals,

''(ii) an explanation of the circumstances (if any) under which (for appropriate categories of applicable individuals) the amendment is reasonably expected to result in a temporary period after the effective date of the amendment during which there are no or minimal accruals,

''(iii) illustrative examples of normal or early retirement benefits meeting the requirements of subparagraph (B), and

''(iv) notice of each applicable individual's right to request, and of the procedures for requesting, the information required to be provided under paragraph (4) and under section 105(e) of Employee Retirement Income Security Act of 1974.

''(B) ILLUSTRATIVE EXAMPLES.—Illustrative examples meet the requirements of this subparagraph if such examples illustrate the adverse effects of the plan amendment. Such examples shall be prepared by the plan administrator in accordance with regulations prescribed by the Secretary, and such regulations shall require that the examples—

''(i) reflect fairly the different categories of applicable individuals who are similarly affected by the plan amendment after consideration of all relevant factors,

''(ii) show a comparison of benefits for each such category of applicable individuals under the plan (as in effect before and after the effective date) at appropriate future dates, and

''(iii) illustrate any temporary period described in subparagraph (A)(ii).

Such comparison shall be based on benefits in the form of a life annuity and on actuarial assumptions each of which is reasonable (and is so certified by an enrolled actuary) when applied to all participants in the plan.

''(4) SUPPORTING INFORMATION RELATING TO CALCULATION OF BENEFITS.—

''(A) IN GENERAL.—Each individual who receives or who is entitled to receive the information described in paragraph (3) may (after so receiving or becoming so entitled) request the plan administrator to provide the information described in subparagraph (B).

''(B) INFORMATION.—The plan administrator shall, within 15 days after the date on which a request under subparagraph (A) is made, provide to the individual information (including benefit formulas and actuarial factors) which is sufficient—

''(i) to confirm the benefit comparisons in the illustrative examples described in paragraph (3)(B), and

''(ii) to enable the individual to use the individual's own personal information to make calculations of the individual's own benefits which are similar to the calculations made in such examples.

Nothing in this subsection shall be construed to require the plan administrator to provide to an individual such individual's personal information for purposes of clause (ii).

''(C) TIME LIMITATION ON REQUESTS.—This paragraph shall apply only to requests made during the 12-month period that begins on the later of the effective date of the amendment to which it relates or the date the notice described in paragraph (2) is provided.

''(5) SPECIAL RULES.—

''(A) PLAIN LANGUAGE.—The notice required under paragraph (1) shall be written in a manner calculated to be understood by the average plan participant who is an applicable individual.

''(B) NOTICE TO DESIGNEES.—The notice or information required to be provided under this subsection may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(6) ALTERNATIVE METHODS OF COMPLIANCE WITH ENHANCED DISCLOSURE REQUIREMENTS IN CERTAIN CASES.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection. The Secretary may—

''(A) prescribe alternative or simplified methods of complying with paragraphs (3) and (4) in situations where—

''(i) there is no fundamental change in the manner in which the accrued benefit of an applicable individual is determined under the plan, and

''(ii) such other methods are adequate to reasonably inform plan participants who are

applicable individuals of the impact of the reductions,

''(B) reduce the advance notice period in paragraph (1)(A) from 45 days to 15 days before the effective date of the amendment for cases in which compliance with the 45-day advance notice requirement would be unduly burdensome because the amendment is contingent on a merger, acquisition, disposition, or other similar transaction involving plan participants who are applicable individuals or because 45 days advance notice is otherwise impracticable,

''(C) permit the comparison of benefits under paragraph (3)(B)(i) to be based on a form of payment other than a life annuity, or

''(D) specify actuarial assumptions that are deemed to be reasonable for purposes of the benefit comparisons under paragraph (3)(B)(i).

''(7) APPLICABLE INDIVIDUAL.—For purposes of this subsection, the term 'applicable individual' means, with respect to any plan amendment—

''(A) each participant in the plan, and

''(B) each beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under a qualified domestic relations order (within the meaning of section 414(p)(1)),

whose future benefit accruals under the plan may reasonably be expected to be reduced by such plan amendment.

''(8) TERMS RELATING TO PLANS.—For purposes of this subsection—

''(A) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(i) a defined benefit plan, or

''(ii) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include any governmental plan (within the meaning of section 414(d)) or any church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.

''(B) LARGE APPLICABLE PENSION PLAN.—The term 'large applicable pension plan' means an applicable pension plan which had 100 or more active participants as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.''

(2) CONFORMING AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

''Sec. 4980F. Failure of defined benefit plans reducing benefit accruals to satisfy notice requirements.''

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect after the date of the enactment of this Act.

(2) SPECIAL RULES.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any plan amendment for which there was written notice before July 12, 1999, which was reasonably expected to notify substantially all of the plan participants or their representatives.

(B) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e) (3) and (4) of the Internal Revenue Code of 1986 and section 204(h) (3) and (4) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(C) NOTICE AND INFORMATION NOT REQUIRED TO BE FURNISHED BEFORE 120TH DAY AFTER ENACTMENT.—The period for providing any notice or information required by the amendments made by this section shall not end before the date which is 120 days after the date of the enactment of this Act.

SEC. ___15. PREVENTION OF WEARING AWAY OF EMPLOYEE'S ACCRUED BENEFIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 411(d)(6) (relating to accrued benefit may not be decreased by amendment) is amended by adding at the end the following new subparagraph:

''(D) TREATMENT OF PLAN AMENDMENTS WEARING AWAY ACCRUED BENEFIT.—

''(i) IN GENERAL.—For purposes of subparagraph (A), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

''(I) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

''(II) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

''(ii) LARGE DEFINED BENEFIT PLAN.—For purposes of this subparagraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

''(iii) PROTECTED ACCRUED BENEFIT.—For purposes of this subparagraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of subparagraph (B)(i)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date.''

(b) AMENDMENT OF ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new paragraph:

''(4)(A) For purposes of paragraph (1), a plan amendment adopted by a large defined benefit plan shall be treated as reducing accrued benefits of a participant if, under the terms of the plan after the adoption of the amendment, the accrued benefit of the participant may at any time be less than the sum of—

''(i) the participant's accrued benefit for years of service before the effective date of the amendment, determined under the terms of the plan as in effect immediately before the effective date, plus

''(ii) the participant's accrued benefit determined under the formula applicable to benefit accruals under the current plan as applied to years of service after such effective date.

''(B) For purposes of this paragraph, the term 'large defined benefit plan' means any defined benefit plan which had 100 or more participants who had accrued a benefit under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.

''(C) For purposes of this paragraph, an accrued benefit shall include any early retirement benefit or retirement-type subsidy (within the meaning of paragraph (2)(A)), but only with respect to a participant who satisfies (either before or after the effective date of the amendment) the conditions for the benefit or subsidy under the terms of the plan as in effect immediately before such date.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan amendments adopted after June 29, 1999.

Subtitle B—Promoting Technological and Economic Development

SEC. ___21. INCREASE IN EXPENSING LIMITATION TO $25,000.

(a) IN GENERAL.—Paragraph (1) of section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___22. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section ___06, is amended by adding at the end the following new section:

''SEC. 45F. NEW MARKETS TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to 6 percent of the amount paid to the qualified community development entity for such investment at its original issue.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any qualified equity investment—

''(A) the date on which such investment is initially made, and

''(B) each of the 4 anniversary dates of such date thereafter.

''(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a qualified community development entity if—

''(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

''(B) substantially all of such cash is used by the qualified community development entity to make qualified low-income community investments, and

''(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

''(2) LIMITATION.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

''(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested in qualified low-income community investments.

''(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which

would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

''(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

''(6) EQUITY INVESTMENT.—The term 'equity investment' means—

''(A) any stock in a qualified community development entity which is a corporation, and

''(B) any capital interest in a qualified community development entity which is a partnership.

''(c) QUALIFIED COMMUNITY DEVELOPMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community development entity' means any domestic corporation or partnership if—

''(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

''(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

''(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

''(2) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—The requirements of paragraph (1) shall be treated as met by—

''(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

''(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

''(d) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified low-income community investment' means—

''(A) any equity investment in, or loan to, any qualified active low-income community business,

''(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

''(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

''(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

''(2) QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income community business' means, with respect to any taxable year, any corporation or partnership if for such year—

''(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

''(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

''(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community,

''(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397B(e)).

''(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

''(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—The term 'qualified active low-income community business' includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

''(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 1397B(d); except that—

''(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

''(B) paragraph (3) thereof shall not apply, and

''(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

''(e) LOW-INCOME COMMUNITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'low-income community' means any population census tract if—

''(A) the poverty rate for such tract is at least 20 percent, or

''(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

''(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

''(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

''(3) TARGETED POPULATION.—The Secretary may prescribe regulations under which 1 or more targeted populations (within the meaning of section 3(20) of the Riegle Community Development and Regulatory Improvement Act of 1974 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for identifying the area covered by any such community for purposes of determining entities which are qualified active low-income community businesses with respect to such community.

''(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

''(1) IN GENERAL.—There is a new markets tax credit limitation of $750,000,000 for each of calendar years 2001 through 2005 and zero for any succeeding calendar year.

''(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

''(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

''(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

''(1) IN GENERAL.—If, at any time during the 5-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

''(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

''(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

''(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

''(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

''(A) such entity ceases to be a qualified community development entity,

''(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

''(C) such investment is redeemed by such entity.

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

''(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

''(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

''(2) which prevent the abuse of the provisions of this section through the use of related parties,

''(3) which impose appropriate reporting requirements

''(4) which apply the provisions of this section to newly formed entities.''

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38, as amended by section ___06, is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus'', and by adding at the end the following new paragraph:

''(15) the new markets tax credit determined under section 45F(a).''

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2000.''

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the new markets tax credit determined under section 45F(a).''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___06, is amended by adding at the end the following new item:

''Sec. 45F. New markets tax credit.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2000.

SEC. ___23. WAGE CREDITS FOR ROUND 2 EMPOWERMENT ZONES.

(a) IN GENERAL.—Section 1396(b)(2) (relating to special rule) is amended by inserting ''or pursuant to section 1391(g)'' after ''section 1391(b)(2)''.

(b) CONFORMING AMENDMENT.—Section 1396 is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect of the date of the enactment of this Act.

SEC. ___24. CREDIT FOR INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section ___22, is amended by adding at the end the following:

''SEC. 45G. INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an employer, the information technology training program credit determined under this section is an amount equal to 20 percent of information technology training program expenses paid or incurred by the taxpayer during the taxable year.

''(b) ADDITIONAL CREDIT PERCENTAGE FOR CERTAIN PROGRAMS.—The percentage under subsection (a) shall be increased by 5 percentage points for information technology training program expenses paid or incurred—

''(1) by the taxpayer with respect to a program operated in—

''(A) an empowerment zone or enterprise community designated under part I of subchapter U,

''(B) a school district in which at least 50 percent of the students attending schools in such district are eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act,

''(C) an area designated as a disaster area by the Secretary of Agriculture or by the President under the Disaster Relief and Emergency Assistance Act in the taxable year or the 4 preceding taxable years,

''(D) a rural enterprise community designated under section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999,

''(E) an area designated by the Secretary of Agriculture as a Rural Economic Area Partnership Zone, or

''(F) an area designated by the Secretary of Agriculture as a Champion Community, or

''(2) by a small employer.

''(c) LIMITATION.—The amount of information technology training program expenses with respect to an individual which may be taken into account under subsection (a) for the taxable year shall not exceed $6,000.

''(d) INFORMATION TECHNOLOGY TRAINING PROGRAM EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'information technology training program expenses' means expenses paid or incurred by reason of the participation of the employer in any information technology training program.

''(2) INFORMATION TECHNOLOGY TRAINING PROGRAM.—The term 'information technology training program' means a program—

''(A) for the training of—

''(i) computer programmers, systems analysts, and computer scientists or engineers (as such occupations are defined by the Bureau of Labor Statistics), and

''(ii) such other occupations as determined by the Secretary, after consultation with a working group broadly solicited by the Secretary and open to all interested information technology entities and trade and professional associations,

''(B) involving a partnership of—

''(i) employers, and

''(ii) State training programs, school districts, university systems, tribal colleges, or certified commercial information technology training providers, and

''(C) at least 50 percent of the costs of which is paid or incurred by the employers.

''(3) CERTIFIED COMMERCIAL INFORMATION TECHNOLOGY TRAINING PROVIDER.—The term 'certified commercial information technology training providers' means a private sector provider of educational products and services utilized for training in information technology which is certified with respect to—

''(A) the curriculum that is used for the training, or

''(B) the technical knowledge of the instructors of such provider,

by 1 or more software publishers or hardware manufacturers the products of which are a subject of the training.

''(e) SMALL EMPLOYER.—For purposes of this section, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed 200 or fewer employees on each business day in each of 20 or more calendar weeks in such year or the preceding calendar year.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to information technology training program expenses (determined without regard to the limitation under subsection (c)).

''(g) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 45A(e)(2) and subsections (c), (d), and (e) of section 52 shall apply.''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by section ___22, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the information technology training program credit determined under section 45G.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by section ___22, is amended by adding at the end the following:

''(12) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the information technology training program credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section ___22, is amended by adding at the end the following:

''Sec. 45G. Information technology training program expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___25. RESTORATION OF STANDARDS FOR DETERMINING WHETHER TECHNICAL WORKERS ARE NOT EMPLOYEES.

(a) REPEAL OF SECTION 530(d) OF THE REVENUE ACT OF 1978.—Section 530(d) of the Revenue Act of 1978 (as added by section 1706 of the Tax Reform Act of 1986) is repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (c) shall apply to periods ending after the date of enactment of this Act.

SEC. ___26. CERTAIN POST-SECONDARY EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME AS A SCHOLARSHIP.

(a) IN GENERAL.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) EMPLOYER-PROVIDED POST-SECONDARY EDUCATIONAL BENEFITS PROVIDED TO CHILDREN OF EMPLOYEES.—

''(1) IN GENERAL.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

''(A) such amount is provided by the employer to a child (as defined in section 161(c)(3)) of an employee of such employer,

''(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

''(C) amounts provided under such plan are in addition to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

''(2) DOLLAR LIMITATIONS.—

''(A) PER CHILD.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

''(B) AGGREGATE LIMIT.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year (after the application of subparagraph (A)) shall not exceed the excess of the

dollar amount contained in section 127(a)(2) over the amount excluded from the employee's gross income under section 127 for such year.

''(3) PRINCIPAL SHAREHOLDERS AND OWNERS.—Paragraph (1) shall not apply to any amount provided to any child of any individual if such individual (or such individual's spouse) owns (on any day of the year) more than 5 percent of the stock or of the capital or profits interest in the employer.

''(4) SPECIAL RULES OF APPLICATION.—In the case of an amount which is treated as a qualified scholarship by reason of this subsection—

''(A) subsection (a) shall be applied without regard to the requirement that the recipient be a candidate for a degree, and

''(B) subsection (b)(2)(A) shall be applied by substituting 'section 529(e)(5)' for 'section 170(b)(1)(A)(ii)'.

''(5) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (7) of section 127(c) shall apply for purposes of this subsection.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. ___27. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Clause (i) of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended to read as follows:

''(i) the applicable amount under subparagraph (H) multiplied by the State population,''.

(b) APPLICABLE AMOUNT.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

''(H) APPLICABLE AMOUNT OF STATE CEILING.—For purposes of subparagraph (C)(i), the applicable amount shall be determined under the following table:

''For calendar year—	The applicable amount is—
2000	$1.30
2001	1.35
2002	1.40
2003	1.45
2004	1.50
2005	1.55
2006	1.60
2007	1.65
2008	1.70
2009 and thereafter	1.75.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1999.

Subtitle C—Expanding Economic Opportunities

SEC. ___31. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking ''December 31, 2000'' and inserting ''December 31, 2004''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2000.

SEC. ___32. EXTENSION OF CREDIT FOR HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

Section 1397E(e)(1) (relating to national limitation) is amended by striking ''and 1999'' and inserting '', 1999, and 2000''.

Subtitle D—Promoting Family-Owned Farms and Businesses

SEC. ___41. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.

(a) IN GENERAL.—Section 2057(a)(2) (relating to maximum deduction) is amended by striking ''$675,000'' and inserting ''$1,125,000''.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking ''$675,000'' each place it appears in the text and heading and inserting ''$1,125,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2002.

SEC. ___42. INCOME AVERAGING FOR FARMERS NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS.—Solely for purposes of this section, section 1301 (relating to averaging of farm income) shall not apply in computing the regular tax.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___43. NET OPERATING LOSS OF FARMERS.

(a) INCREASE IN CARRYBACK YEARS.—Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryforwards) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—Subparagraph (A) shall be applied—

''(i) in the matter preceding clause (i), by substituting 'any taxable year beginning with the 3rd taxable year after the taxable year of such loss' for 'any taxable year', and

''(ii) in clause (i), by substituting '10 years' for '2 years',

with respect to the portion of the net operating loss of an eligible taxpayer (as defined in subsection (i)) for any taxable year beginning after December 31, 2000, and ending before January 1, 2003, which is a farming loss (as so defined) with respect to the taxpayer.''

(b) DEFINITIONS AND RULES RELATING TO FARMING LOSSES.—Section 172 is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

''(i) DEFINITIONS AND RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) FARMING LOSS.—

''(A) IN GENERAL.—The term 'farming loss' means the lesser of—

''(i) the net operating loss of the taxpayer for the taxable year, or

''(ii) the net operating loss of the taxpayer for the taxable year determined by only taking into account items of income and deduction attributable to 1 or more qualified farming business of the taxpayer.

''(B) DOLLAR LIMITATION.—

''(i) IN GENERAL.—The farming loss of taxpayer for any taxable year shall not exceed $200,000.

''(ii) AGGREGATION RULES.—

''(I) IN GENERAL.—All persons treated as 1 employer under subsections (a) or (b) of section 52 shall be treated as 1 person.

''(II) PASS-THRU ENTITY.—In the case of a partnership, trust, or other pass-thru entity, the limitation shall be applied at both the entity and the owner level.

''(III) OWNER.—The limitation shall be reduced by the amount of farming loss determined for a corporation for which the taxpayer is a 50 percent owner in the taxable year of the corporation ending in the taxable year of the taxpayer owner.

''(2) ELIGIBLE TAXPAYER.—

''(A) IN GENERAL.—The term 'eligible taxpayer' means a taxpayer which derives more than 50 percent of its gross income for the 3-year period beginning 2 years prior to the current taxable year from qualified farming businesses.

''(B) QUALIFIED FARMING BUSINESS.—The term 'qualified farming business' means a trade or business of farming (within the meaning of section 2032A)—

''(i) with respect to which—

''(I) the taxpayer or a member of the family of the taxpayer materially participates (within the meaning of section 2032A(e)(6)), or

''(II) in the case of a taxpayer other than an individual, a 20 percent owner of the taxpayer or a member of the owner's family materially participates (as so defined), and

''(ii) which does not receive in excess of $7,000,000 for sales in a taxable year.

For purposes of clause (i)(II), owners which are members of a single family shall be treated as a single owner.

''(3) OWNER.—

''(A) 20 PERCENT OWNER.—The term '20 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '20 percent' were substituted for '5 percent' each place it appears in such section.

''(B) 50 PERCENT OWNER.—The term '50 percent owner' means any person who would be described in section 416(i)(1)(B)(i) if '50 percent' were substituted for '5 percent' each place it appears in such section.

''(4) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated as a separate net operating loss for such taxable year to be taken into account for the remaining portion of the net operating loss for such taxable year.

''(5) ELECTION.—Any taxpayer entitled to a 10-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year, and any portion of the farming loss for such year, determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for the taxable year.''

SEC. ___44. SMALL BUSINESSES ALLOWED INCREASED DEDUCTION FOR MEAL EXPENSES.

(a) IN GENERAL.—Subsection (n) of section 274 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR SMALL BUSINESSES.—

''(A) IN GENERAL.—In the case of any taxpayer which is a small business, paragraph (1) shall be applied by substituting for '50 percent' with respect to expenses for food or beverages—

''(i) '55 percent' in the case of taxable years beginning in 2001, and

''(ii) '60 percent' in the case of taxable years beginning after 2001.

''(B) SMALL BUSINESS.—For purposes of this paragraph, the term 'small business' means, with respect to expenses paid or incurred during any taxable year—

''(i) any C corporation which meets the requirements of section 55(e)(1) for such year, and

''(ii) any S corporation, partnership, or sole proprietorship which would meet such requirements if it were a C corporation.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. ___45. TAX EXCLUSION FOR COST-SHARING PAYMENTS UNDER PARTNERS FOR WILDLIFE PROGRAM.

(a) IN GENERAL.—Section 126(a) (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following:

''(10) The Partners for Wildlife Program authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle E—Providing Administrative Relief

SEC. ___51. DISCLOSURE OF TAX INFORMATION TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.

Section 6103(d)(5) is amended to read as follows:

''(5) DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.—The Secretary may disclose taxpayer identity information and signatures to any agency, body, or commission of any State for the purpose of carrying out with such agency, body, or commission a combined Federal and State employment tax reporting program approved by the Secretary. Subsections (a)(2) and (p)(4) and sections 7213 and 7213A shall not apply with respect to disclosures or inspections made pursuant to this paragraph.''

SEC. ___52. ENROLLED AGENTS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. ENROLLED AGENTS.

''(a) IN GENERAL.—The Secretary may prescribe such regulations as may be necessary to regulate the conduct of enrolled agents in regards to their practice before the Internal Revenue Service.

''(b) USE OF CREDENTIALS.—

''(1) IN GENERAL.—Any enrolled agent properly licensed to practice before the Internal Revenue Service under subsection (a) shall be allowed to use the credentials 'Enrolled Agent', 'EA', or 'E.A.'.

''(2) PROHIBITION ON INTERFERENCE.—No state, municipality or locality, or agency thereof, shall interfere with the right of enrolled agents to use such credentials as described in paragraph (b)(1).''

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7527. Enrolled agents.''

(c) PRIOR REGULATIONS.—Nothing in the amendments made by this section shall be construed to have any effect on part 10 of title 31, Code of Federal Regulations, or any other Federal rule or regulation issued before the date of the enactment of this Act.

Subtitle F—Revenue Offsets

SEC. ___61. RESTORATION OF PHASE-OUT OF UNIFIED CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 2001(c) is amended by striking ''$10,000,000'' and all that follows and inserting ''$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) (determined without regard to section 2057(a)(3)) and $359,200.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after the date of enactment of this Act.

SEC. ___62. REPEAL OF LOWER-OF-COST-OR-MARKET METHOD OF ACCOUNTING FOR INVENTORIES.

(a) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(b) CERTAIN WRITE-DOWNS NOT PERMITTED; USE OF MARK-DOWNS REQUIRED UNDER RETAIL METHOD.—

''(1) IN GENERAL.—A taxpayer—

''(A) may not use the lower-of-cost-or-market method of accounting for inventories, and

''(B) may not write-down items by reason of being unsalable at normal prices or unusable in the normal way because of damage, imperfections, shop wear, changes of style, odd or broken lots, or other similar causes.

Subparagraph (B) shall not apply to a taxpayer using a mark-to-market method of accounting for both gains and losses in inventory values.

''(2) MARK-DOWNS REQUIRED TO BE TAKEN INTO ACCOUNT UNDER RETAIL METHOD.—The retail method of accounting for inventories shall be applied by taking into account mark-downs in determining the approximate cost of the inventories.

''(3) EXCEPTION FOR CERTAIN SMALL BUSINESSES.—Paragraph (1) shall not apply to any taxpayer for any taxable year if, for all prior taxable years ending on or after the date of the enactment of this subsection, the taxpayer (or any predecessor) met the $5,000,000 gross receipts test of section 448(c).

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to wash-sale-type transactions.''

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 312(n)(4)(C) is amended to read as follows:

''(iii) INVENTORY AMOUNT.—The inventory amount of assets under the first-in, first-out method authorized by section 471 shall be determined using the method authorized to be used by the taxpayer under such section.''

(2) Subparagraph (C) of section 1363(d)(4) is amended to read as follows:

''(C) INVENTORY AMOUNT.—The inventory amount of assets under a method authorized by section 471 shall be determined using the method authorized to be used by the corporation under such section.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this subsection.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year beginning after the date of the enactment of this subsection—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 4-taxable year period beginning with the first taxable year beginning after such date.

SEC. ___63. CONSISTENT AMORTIZATION PERIODS FOR INTANGIBLES.

(a) START-UP EXPENDITURES.—

(1) ALLOWANCE OF DEDUCTION.—Subsection (b) of section 195 (relating to start-up expenditures) is amended by striking paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting before paragraph (3), as so redesignated, the following new paragraphs:

''(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection with respect to any start-up expenditures—

''(A) the taxpayer shall be allowed a deduction for the taxable year in which the active trade or business begins in an amount equal to the lesser of—

''(i) the amount of start-up expenditures with respect to the active trade or business, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such start-up expenditures exceed $50,000, and

''(B) the remainder of such start-up expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the active trade or business begins.

''(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single person.''

(2) CONFORMING AMENDMENT.—Subsection (b) of section 195 is amended by striking ''AMORTIZE'' and inserting ''DEDUCT'' in the heading.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (a) of section 248 (relating to organizational expenditures) is amended to read as follows:

''(a) ELECTION TO DEDUCT.—

''(1) IN GENERAL.—If a corporation elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenditures—

''(A) the corporation shall be allowed a deduction for the taxable year in which the corporation begins business in an amount equal to the lesser of—

''(i) the amount of organizational expenditures with respect to the taxpayer, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenditures exceed $50,000, and

''(B) the remainder of such organizational expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the corporation begins business.

''(2) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person.''

(c) TREATMENT OF ORGANIZATIONAL AND SYNDICATION FEES OR PARTNERSHIPS.—Section 709(b) (relating to amortization of organization fees) is amended by redesignating paragraph (2) as paragraph (4) and by amending paragraph (1) to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenses—

''(A) the taxpayer shall be allowed a deduction for the taxable year in which the partnership begins business in an amount equal to the lesser of—

''(i) the amount of organizational expenses with respect to the partnership, or

''(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenses exceed $50,000, and

''(B) the remainder of such organizational expenses shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the partnership begins business.

''(2) DISPOSITIONS BEFORE CLOSE OF AMORTIZATION PERIOD.—In any case in which a partnership is liquidated before the end of the period to which paragraph (1)(B) applies, any deferred expenses attributable to the partnership which were not allowed as a deduction by reason of this section may be deducted to the extent allowable under section 165.

''(3) AGGREGATION RULE.—For purposes of paragraph (1), all persons which are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single person.''

(d) CONFORMING AMENDMENT.—Subsection (b) of section 709 is amended by striking ''AMORTIZATION'' and inserting ''DEDUCTION'' in the heading.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts

paid or incurred after the date of the enactment of this Act.

SEC. ___64. EXTENSION OF HAZARDOUS SUBSTANCE SUPERFUND TAXES.

(a) EXTENSION OF TAXES.—

(1) ENVIRONMENTAL TAX.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 1999, and before January 1, 2010.''

(2) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund Financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after the date of the enactment of the Tax Extenders Act of 1999, and before October 1, 2009.''

(b) EFFECTIVE DATES.—

(1) INCOME TAX.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1999.

(2) EXCISE TAX.—The amendment made by subsection (a)(2) shall take effect on the date of the enactment of this Act.

SEC. ___65. DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

''(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

''(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer's economic position, and

''(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer's risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

''(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

''(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

''(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer's books and records for financial reporting purposes.

''(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party's economic income or gain from the transaction.

''(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term 'built-in loss' means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

''(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

''(A) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person's method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

''(i) such transaction meets such requirements without regard to the other transactions, and

''(ii) such transactions, if treated as 1 transaction, would meet such requirements. A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

''(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer's trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

''(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

''(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

''(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

''(ii) The credit under section 42 (relating to low-income housing credit).

''(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

''(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

''(v) Any other tax benefit specified in regulations.

''(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

''(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

''(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

''(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law.''

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

''(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

''(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

''(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

''(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

''(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

''(B) the disallowance of any other benefit—

''(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

''(ii) because the form of the transaction did not reflect its substance, or

''(iii) because of any other similar rule of law.

''(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

''(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

''(B) files with the taxpayer's return of tax imposed by subtitle A—

''(i) a statement verifying that such disclosure has been made,

''(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

''(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

''(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer's knowledge and belief, and

''(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

''(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

''(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

''(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction.''

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

WELLSTONE (AND OTHERS) AMENDMENT NO. 2752

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. DASCHLE, Mr. DORGAN, and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the end insert the following:

DIVISION 2—AGRIBUSINESS MERGER MORATORIUM AND ANTITRUST REVIEW ACT OF 1999

SEC. ___1. SHORT TITLE.

This division may be cited as the ''Agribusiness Merger Moratorium and Antitrust Review Act of 1999''.

SEC. ___2. FINDINGS.

Congress finds the following:

(1) Concentration in the agricultural economy including mergers, acquisitions, and other combinations and alliances among suppliers, producers, packers, other food processors, and distributors has been accelerating at a rapid pace in the 1990's.

(2) The trend toward greater concentration in agriculture has important and far-reaching implications not only for family-based farmers, but also for the food we eat, the communities we live in, and the integrity of the natural environment upon which we all depend.

(3) In the past decade and a half, the top 4 largest pork packers have seized control of some 57 percent of the market, up from 36 percent. Over the same period, the top 4 beef packers have expanded their market share from 32 percent to 80 percent, the top 4 flour millers have increased their market share from 40 percent to 62 percent, and the market share of the top 4 soybean crushers has jumped from 54 percent to 80 percent.

(4) Today the top 4 sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent, and 57 percent of the market, respectively.

(5) A handful of firms dominate the processing of every major commodity. Many of them are vertically integrated, which means that they control successive stages of the food chain, from inputs to production to distribution.

(6) Growing concentration of the agricultural sector has restricted choices for farmers trying to sell their products. As the bargaining power of agribusiness firms over farmers increases, agricultural commodity markets are becoming stacked against the farmer.

(7) The farmer's share of every retail dollar has plummeted from around 50 percent in 1952, to less than 25 percent today, while the profit share for farm input, marketing, and processing companies has risen.

(8) While agribusiness conglomerates are posting record earnings, farmers are facing desperate times. The commodity price index is the lowest since 1987. Hog prices are at their lowest since 1972. Cotton and soybean prices are the lowest they have been since the early 1970's.

(9) The benefits of low commodity prices are not being passed on to American consumers. The gap between what shoppers pay for food and what farmers are paid is growing wider. From 1984 to 1998, prices paid to farmers fell 36 percent, while consumer food prices actually increased by 3 percent.

(10) Concentration, low prices, anticompetitive practices, and other manipulations and abuses of the agricultural economy are driving family-based farmers out of business. Farmers are going bankrupt or giving up, and few are taking their places; more farm families are having to rely on other jobs to stay afloat; and the number of farmers leaving the land will continue to increase unless and until these trends are reversed.

(11) The decline of family-based agriculture undermines the economies of rural communities across America; it has pushed Main Street businesses, from equipment suppliers to insurance sales people, out of business or to the brink of insolvency.

(12) Increased concentration in the agribusiness sector has a harmful effect on the environment; corporate hog farming, for example, threatens the integrity of local water supplies and creates noxious odors in neighboring communities. Concentration also can increase the risks to food safety and limit the biodiversity of plants and animals.

(13) The decline of family-based farming poses a direct threat to American families and family values, by subjecting farm families to turmoil and stress.

(14) The decline of family-based farming causes the demise of rural communities, as stores lose customers, churches lose congregations, schools and clinics become under-used, career opportunities for young people dry up, and local inequalities of wealth and income grow wider.

(15) These developments are not the result of inevitable market forces. They are the consequence of policies made in Washington, including farm, antitrust, and trade policies.

(16) To restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family-based farmers, the trend toward concentration must be reversed.

SEC. ___3. DEFINITIONS.

In this division:

(1) AGRICULTURAL INPUT SUPPLIER.—The term ''agricultural input supplier'' means any person (excluding agricultural cooperatives) engaged in the business of selling, in interstate or foreign commerce, any product to be used as an input (including seed, germ plasm, hormones, antibiotics, fertilizer, and chemicals, but excluding farm machinery) for the production of any agricultural commodity, except that no person shall be considered an agricultural input supplier if sales of such products are for a value less than $10,000,000 per year.

(2) BROKER.—The term ''broker'' means any person (excluding agricultural cooperatives) engaged in the business of negotiating sales and purchases of any agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, except that no person shall be considered a broker if the only sales of such commodities are for a value less than $10,000,000 per year.

(3) COMMISSION MERCHANT.—The term ''commission merchant'' means any person (excluding agricultural cooperatives) engaged in the business of receiving in interstate or foreign commerce any agricultural commodity for sale, on commission, or for or on behalf of another, except that no person shall be considered a commission merchant if the only sales of such commodities are for a value less than $10,000,000 per year.

(4) DEALER.—The term ''dealer'' means any person (excluding agricultural cooperatives) engaged in the business of buying, selling, or marketing agricultural commodities in interstate or foreign commerce, except that—

(A) no person shall be considered a dealer with respect to sales or marketing of any agricultural commodity of that person's own raising; and

(B) no person shall be considered a dealer if the only sales of such commodities are for a value less than $10,000,000 per year.

(5) PROCESSOR.—The term ''processor'' means any person (excluding agricultural cooperatives) engaged in the business of handling, preparing, or manufacturing (including slaughtering) of an agricultural commodity, or the products of such agricultural commodity, for sale or marketing for human consumption, except that no person shall be considered a processor if the only sales of such products are for a value less than $10,000,000 per year.

TITLE I—MORATORIUM ON LARGE AGRIBUSINESS MERGERS

SEC. 101. MORATORIUM ON LARGE AGRIBUSINESS MERGERS.

(a) IN GENERAL.—

(1) MORATORIUM.—Until the date referred to in paragraph (2) and except as provided in subsection (b)—

(A) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000; and

(B) no dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $10,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other dealer, processor, commission merchant, agricultural input supplier, broker, or operator of a warehouse of agricultural commodities with annual net sales or total assets of more than $100,000,000 if the acquiring person would hold—

(i) 15 percent or more of the voting securities or assets of the acquired person; or

(ii) an aggregate total amount of the voting securities and assets of the acquired person in excess of $15,000,000.

(2) DATE.—The date referred to in this paragraph is the earlier of—

(A) the effective date of comprehensive legislation—

(i) addressing the problem of market concentration in the agricultural sector; and

(ii) containing a section stating that the legislation is comprehensive legislation as provided in section 101 of the Agribusiness Merger Moratorium and Antitrust Review Act of 1999; or

(B) the date that is 18 months after the date of enactment of this division.

(3) EXEMPTIONS.—The following classes of transactions are exempt from the requirements of this section—

(1) acquisitions of goods or realty transferred in the ordinary course of business;

(2) acquisitions of bonds, mortgages, deeds of trust, or other obligations which are not voting securities;

(3) acquisitions of voting securities of an issuer at least 50 per centum of the voting securities of which are owned by the acquiring person prior to such acquisition;

(4) transfers to or from a Federal agency or a State or political subdivision thereof; and

(5) acquisitions of voting securities, if, as a result of such acquisition, the voting securities acquired do not increase, directly or indirectly, the acquiring person's per centum share of outstanding voting securities of the issuer.

(b) WAIVER AUTHORITY.—The Attorney General shall have authority to waive the moratorium imposed by subsection (a) only under extraordinary circumstances, such as insolvency or similar financial distress of 1 of the affected parties.

TITLE II—AGRICULTURE CONCENTRATION AND MARKET POWER REVIEW COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Agriculture Concentration and Market Power Review Commission (hereafter in this title referred to as the ''Commission'').

(b) PURPOSES.—The purpose of the Commission is to—

(1) study the nature and consequences of concentration in America's agricultural economy; and

(2) make recommendations on how to change underlying antitrust laws and other

Federal laws and regulations to keep a fair and competitive agriculture marketplace for family farmers, other small and medium sized agriculture producers, generally, and the communities of which they are a part.

(c) MEMBERSHIP OF COMMISSION.—

(1) COMPOSITION.—The Commission shall be composed of 12 members as follows:

(A) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Agriculture, Nutrition, and Forestry.

(B) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the Senate, after consultation with the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry.

(C) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Agriculture.

(D) Three persons, one of whom shall be a person currently engaged in farming or ranching, shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Agriculture.

(2) QUALIFICATIONS OF MEMBERS.—

(A) APPOINTMENTS.—Persons who are appointed under paragraph (1) shall be persons who—

(i) have experience in farming or ranching, expertise in agricultural economics and antitrust, or have other pertinent qualifications or experience relating to agriculture and agriculture industries; and

(ii) are not officers or employees of the United States.

(B) OTHER CONSIDERATION.—In appointing Commission members, every effort shall be made to ensure that the members—

(i) are representative of a broad cross sector of agriculture and antitrust perspectives within the United States; and

(ii) provide fresh insights to analyzing the causes and impacts of concentration in agriculture industries and sectors.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members shall be appointed not later than 60 days after the date of enactment of this division and the appointment shall be for the life of the Commission.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(e) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(f) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a chairperson and vice chairperson from among the members of the Commission.

(h) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

SEC. 202. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall be responsible for examining the nature, the causes, and consequences concentration in America's agricultural economy in the broadest possible terms.

(b) ISSUES TO BE ADDRESSED.—The study shall include an examination of the following matters:

(1) The nature and extent of concentration in the agricultural sector, including food production, transportation, processing, distribution and marketing, and farm inputs such as machinery, fertilizer, and seeds.

(2) Current trends in concentration of the agricultural sector and what this sector is likely to look like in the near and longer term future.

(3) The effect of this concentration on farmer income.

(4) The impacts of this concentration upon rural communities, rural economic development, and the natural environment.

(5) The impacts of this concentration upon food shoppers, including the reasons that Depression-level farm prices have not resulted in corresponding drops in supermarket prices.

(6) The productivity of family-based farm units, compared with corporate based agriculture, and whether farming is approaching a scale that is larger than necessary from the standpoint of productivity.

(7) The effect of current laws and administrative practices in supporting and encouraging this concentration.

(8) Whether the existing antitrust laws provide adequate safeguards against, and remedies for, the impacts of concentration upon family-based agriculture, the communities they comprise, and the food shoppers of this Nation.

(9) Accurate and reliable data on the national and international markets shares of multinational agribusinesses, and the portion of their sales attributable to exports.

(10) Barriers that inhibit entry of new competitors into markets for the processing of agricultural commodities, such as the meat packing industry.

(11) The extent to which developments, such as formula pricing, marketing agreements, and forward contracting tend to give processors, agribusinesses, and other buyers of agricultural commodities additional market power over producers and suppliers in local markets.

(12) Such related matters as the Commission determines to be important.

SEC. 203. FINAL REPORT.

(a) IN GENERAL.—Not later than 12 months after the date of the initial meeting of the Commission, the Commission shall submit to the President and Congress a final report which contains—

(1) the findings and conclusions of the Commission described in section 202; and

(2) recommendations for addressing the problems identified as part of the Commission's analysis.

(b) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

SEC. 204. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this title. The Commission shall hold at least 1 or more hearings in Washington, D.C., and 4 in different agriculture regions of the United States.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 205. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee shall be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 206. SUPPORT SERVICES.

The Administrator of the General Services Administration shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000 to the Commission as required by this title to carry out the provisions of this title.

DODD AMENDMENT NO. 2753

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. CONSUMER CREDIT.

(a) ENHANCED DISCLOSURES UNDER AN OPEN END CONSUMER CREDIT PLAN.—Section 127(b)

of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) Repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and as a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that balance, if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full, if the consumer pays only the required minimum monthly payments and if no further advances are made; and

''(iv) the monthly payment amount that would be required for the consumer to eliminate the outstanding balance in 36 months if no further advances are made.

''(B)(i) Subject to clause (ii), in making the disclosures under subparagraph (A) the creditor shall apply the interest rate in effect on the date on which the disclosure is made until the date on which the balance would be paid in full.

''(ii) If the interest rate in effect on the date on which the disclosure is made is a temporary rate that will change under a contractual provision applying an index or formula for subsequent interest rate adjustment, the creditor shall apply the interest rate in effect on the date on which the disclosure is made for as long as that interest rate will apply under that contractual provision, and then apply an interest rate based on the index or formula in effect on the applicable billing date.''.

(b) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: ''In connection with the disclosures referred to in subsections (a) and (b) of section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).''.

DODD (AND KENNEDY) AMENDMENT NO. 2754

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

(a) IN GENERAL.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

''(5) APPLICATIONS FROM UNDERAGE CONSUMERS.—

''(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21 unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

''(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

''(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21; or

''(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(5) of the Truth in Lending Act, as amended by this section.

FEINSTEIN AMENDMENTS NOS. 2755–2756

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2755

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

AMENDMENT NO. 2756

At the appropriate place, insert the following:

SEC. ___. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

BROWNBACK (AND HUTCHISON) AMENDMENT NO. 2757

(Ordered to lie on the table.)

Mr. BROWNBACK (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. ___. HOMESTEAD EXEMPTION OPT OUT AND PERSONS 65 OR OLDER.

The provisions relating to a Federal homestead exemption shall not apply to debtors if applicable State law provides by statute that such provisions shall not apply to debtors and shall not take effect in any State before the end of the first regular session of the State legislature following the date of enactment of this Act. The federal homestead exemption shall not apply to debtors who are 65 years or older.

ROTH (AND MOYNIHAN) AMENDMENT NO. 2758

(Ordered to lie on the table.)

Mr. ROTH (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

Beginning on page 181, strike line 20 and all that follows through page 203, line 17, and insert the following:

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting ''(other

than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)'' after ''under this title'';

(2) in subsection (b)(2), by inserting ''(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)'' after ''507(a)(1)''; and

(3) by adding at the end the following:

''(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

''(1) exhaust the unencumbered assets of the estate; and

''(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

''(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

''(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(4).

''(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(5).''.

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.''.

SEC. 702. TREATMENT OF FUEL TAX CLAIMS.

Section 501 of title 11, United States Code, is amended by adding at the end the following:

''(e) A claim arising from the liability of a debtor for fuel use tax assessed consistent with the requirements of section 31705 of title 49 may be filed by the base jurisdiction designated pursuant to the International Fuel Tax Agreement and, if so filed, shall be allowed as a single claim.''.

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

Section 505(b) of title 11, United States Code, is amended—

(1) in the first sentence, by inserting ''at the address and in the manner designated in paragraph (1)'' after ''determination of such tax'';

(2) by striking ''(1) upon payment'' and inserting ''(2)(A) upon payment'';

(3) by striking ''(A) such governmental unit'' and inserting ''(i) such governmental unit'';

(4) by striking ''(B) such governmental unit'' and inserting ''(ii) such governmental unit'';

(5) by striking ''(2) upon payment'' and inserting ''(B) upon payment'';

(6) by striking ''(3) upon payment'' and inserting ''(C) upon payment'';

(7) by striking ''(b)'' and inserting ''(2)''; and

(8) by inserting before paragraph (2), as so designated, the following:

''(b)(1)(A) The clerk of each district shall maintain a listing under which a Federal, State, or local governmental unit responsible for the collection of taxes within the district may—

''(i) designate an address for service of requests under this subsection; and

''(ii) describe where further information concerning additional requirements for filing such requests may be found.

''(B) If a governmental unit referred to in subparagraph (A) does not designate an address and provide that address to the clerk under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit.''.

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

''§ 511. Rate of interest on tax claims

''(a) If any provision of this title requires the payment of interest on a tax claim or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be the rate shall be determined under applicable nonbankruptcy law.

''(b) In the case of taxes paid under a confirmed plan under this title, the rate of interest shall be determined as of the calendar month in which the plan is confirmed.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

''511. Rate of interest on tax claims.''.

SEC. 705. PRIORITY OF TAX CLAIMS.

Section 507(a)(8) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting ''for a taxable year ending on or before the date of filing of the petition'' after ''gross receipts'';

(B) in clause (i)—

(i) by striking ''for a taxable year ending on or before the date of filing of the petition''; and

(ii) by inserting before the semicolon at the end, the following: '', plus any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days''; and

(C) by striking clause (ii) and inserting the following:

''(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

''(I) any time during which an offer in compromise with respect to that tax was pending or in effect during that 240-day period, plus 30 days; and

''(II) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 90 days.''; and

(2) by adding at the end the following:

''(H) An otherwise applicable time period specified in this paragraph shall be suspended for—

''(i) any period during which a governmental unit is prohibited under applicable nonbankruptcy law from collecting a tax as a result of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor; plus

''(ii) 90 days.''.

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(9)(B) of title 11, United States Code, is amended by striking ''assessed'' and inserting ''incurred''.

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by sections 105, 213, and 314 of this Act, is amended by inserting ''(1)(B), (1)(C),'' after ''paragraph''.

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

''(5) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt for a tax or customs duty with respect to which the debtor—

''(A) made a fraudulent return; or

''(B) willfully attempted in any manner to evade or defeat that tax or duty.''.

SEC. 709. STAY OF TAX PROCEEDINGS LIMITED TO PREPETITION TAXES.

Section 362(a)(8) of title 11, United States Code, is amended by inserting '', with respect to a tax liability for a taxable period ending before the order for relief under this title'' before the semicolon at the end.

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''deferred cash payments, over a period not exceeding six years after the date of assessment of such claim,'' and all that follows through the end of the subparagraph, and inserting ''regular installment payments in cash—

''(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

''(ii) with interest thereon calculated at the rate provided in section 6621(a)(2) of the Internal Revenue Code of 1986;

''(iii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

''(iv) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and''; and

(3) by adding at the end the following:

''(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).''.

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting '', except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law;''.

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting ''(a)'' before ''Any''; and

(2) by adding at the end the following:

''(b) A tax under subsection (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless—

''(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 554 of title 11; or

''(2) payment of the tax is excused under a specific provision of title 11.

''(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

''(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

''(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.''.

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting ''whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both,'' before ''except''.

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense;''.

(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting ''or State statute'' after ''agreement''; and

(2) in subsection (c), by inserting '', including the payment of all ad valorem property taxes with respect to the property'' before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking ''before the date on which the trustee commences distribution under this section;'' and inserting the following: ''on or before the earlier of—

''(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

''(B) the date on which the trustee commences final distribution under this section;''.

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by inserting ''or equivalent report or notice,'' after ''a return,'';

(B) in clause (i)—

(i) by inserting ''or given'' after ''filed''; and

(ii) by striking ''or'' at the end; and

(C) in clause (ii)—

(i) by inserting ''or given'' after ''filed''; and

(ii) by inserting '', report, or notice'' after ''return''; and

(2) by adding at the end the following flush sentences:

''For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.''.

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

The second sentence of section 505(b) of title 11, United States Code, as amended by section 703 of this Act, is amended by inserting ''the estate,'' after ''misrepresentation,''.

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by section 213 of this Act, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (7) the following:

''(8) if the debtor has filed all applicable Federal, State, and local tax returns as required by section 1308.''.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—

(1) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding at the end the following:

''§ 1308. Filing of prepetition tax returns

''(a) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 6-year period ending on the date of the filing of the petition.

''(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the meeting of creditors is first scheduled to be held under section 341(a), the trustee may hold open that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

''(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that meeting; or

''(B) for any return that is not past due as of the date of the filing of the petition, the later of—

''(i) the date that is 120 days after the date of that meeting; or

''(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely made, in accordance with applicable nonbankruptcy law.

''(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by clear and convincing evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

''(A) a period of not more than 30 days for returns described in paragraph (1); and

''(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

''(c) For purposes of this section, the term 'return' includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1308. Filing of prepetition tax returns.''.

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d), the following:

''(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.''.

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following '', and except that in a case under chapter 13, a claim of a governmental unit for a tax with respect to a return filed under section 1308 shall be timely if the claim is filed on or before the date that is 60 days after the date on which such return was filed as required''.

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, as soon as practicable after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting ''including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case,'' after ''records''; and

(2) by striking ''a hypothetical reasonable investor typical of holders of claims or interests'' and inserting ''such a hypothetical investor''.

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, as amended by section 402 of this Act, is amended—

(1) in paragraph (25), by striking ''or'' at the end;

(2) in paragraph (26), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (26) the following:

''(27) under subsection (a), of the setoff under applicable nonbankruptcy law of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, except that in any case in which the setoff of an income tax refund is not permitted under applicable nonbankruptcy law because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the

action, unless the court, upon motion of the trustee and after notice and hearing, grants the taxing authority adequate protection (within the meaning of section 361) for the secured claim of that authority in the setoff under section 506(a).''.

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 346 of title 11, United States Code, is amended to read as follows:

''SEC. 346. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

''(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor. The preceding sentence shall not apply if the case is dismissed. The trustee shall make tax returns of income required under any such State or local law.

''(b) Whenever the Internal Revenue Code of 1986 provides that no separate taxable estate shall be created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of an estate shall be taxed to or claimed by the debtor, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the debtor under a State or local law imposing a tax on or measured by income and may not be taxed to or claimed by the estate. The trustee shall make such tax returns of income of corporations and of partnerships as are required under any State or local law, but with respect to partnerships, shall make said returns only to the extent such returns are also required to be made under such Code. The estate shall be liable for any tax imposed on such corporation or partnership, but not for any tax imposed on partners or members.

''(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a debtor in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, after the commencement of the case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).

''(d) For purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor in a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.

''(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

''(f) For purposes of any State or local law imposing a tax on or measured by income, a transfer of property from the debtor to the estate or from the estate to the debtor shall not be treated as a disposition for purposes of any provision assigning tax consequences to a disposition, except to the extent that such transfer is treated as a disposition under the Internal Revenue Code of 1986.

''(g) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

''(h) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.

''(i)(1) To the extent that any State or local law imposing a tax on or measured by income provides for the carryover of any tax attribute from one taxable period to a subsequent taxable period, the estate shall succeed to such tax attribute in any case in which such estate is subject to tax under subsection (a).

''(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) to the extent consistent with the Internal Revenue Code of 1986.

''(3) The estate may carry back any loss or tax attribute to a taxable period of the debtor that ended before the order for relief under this title to the extent that—

''(A) applicable State or local tax law provides for a carryback in the case of the debtor; and

''(B) the same or a similar tax attribute may be carried back by the estate to such a taxable period of the debtor under the Internal Revenue Code of 1986.

''(j)(1) For purposes of any State or local law imposing a tax on or measured by income, income is not realized by the estate, the debtor, or a successor to the debtor by reason of discharge of indebtedness in a case under this title, except to the extent, if any, that such income is subject to tax under the Internal Revenue Code of 1986.

''(2) Whenever the Internal Revenue Code of 1986 provides that the amount excluded from gross income in respect of the discharge of indebtedness in a case under this title shall be applied to reduce the tax attributes of the debtor or the estate, a similar reduction shall be made under any State or local law imposing a tax on or measured by income to the extent such State or local law recognizes such attributes. Such State or local law may also provide for the reduction of other attributes to the extent that the full amount of income from the discharge of indebtedness has not been applied.

''(k)(1) Except as provided in this section and section 505, the time and manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

''(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 728 of title 11, United States Code, is repealed.

(2) Section 1146 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

(3) Section 1231 of title 11, United States Code, is amended by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

SEC. 720. DISMISSAL FOR FAILURE TO TIMELY FILE TAX RETURNS.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(k)(1) Notwithstanding any other provision of this title, if the debtor fails to file a tax return that becomes due after the commencement of the case or to properly obtain an extension of the due date for filing such return, the taxing authority may request that the court enter an order converting or dismissing the case.

''(2) If the debtor does not file the required return or obtain the extension referred to in paragraph (1) within 90 days after a request is filed by the taxing authority under that paragraph, the court shall convert or dismiss the case, whichever is in the best interests of creditors and the estate.''.

On page 268, line 13, strike ''1231(d)'' and insert ''1231(b)''.

On page 280, strike lines 16 through 19.

SCHUMER (AND DURBIN) AMENDMENTS NOS. 2759–2760

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DURBIN) submitted two amendments intended to be proposed by them to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2759

On page 7, line 15, strike ''(ii) The debtor's'' and insert the following:

''(ii)(I) Subject to subclause (II), the debtor's''.

On page 7, line 21, strike the period and insert the following: '', until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

''(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

''(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

''(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

''(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section

707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

''(2) In issuing standards under paragraph (1), the Director shall—

''(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

''(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.''.

On page 169, line 11, strike ''(f)'' and insert ''(g)''.

On page 169, line 13, strike ''(f)'' and insert ''(g)''.

On page 172, line 7, strike ''(f)'' and insert ''(g)''.

On page 172, line 13, strike ''(f)'' and insert ''(g)''.

AMENDMENT NO. 2760

On page 7, line 15, strike ''(ii) The debtor's'' and insert the following:

''(ii)(I) Subject to subclause (II), the debtor's''.

On page 7, line 21, strike the period and insert the following: '', until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28, at which time the debtor's monthly expenses shall be the applicable monthly expenses under standards issued by the Director under section 586(f) of title 28, and the applicable monthly (excluding payments for debts) expenses under standards (excluding the national standards) issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent.

''(II) In the case of a debtor who owns the debtor's primary residence, the debtor's monthly expenses shall include reasonably necessary costs of maintaining such primary residence not included in subclause (I) of this clause or clause (iii), including the reasonably necessary costs of utilities, maintenance and repair, homeowners insurance, and property taxes, until such time as the Director of the Executive Office for the United States Trustees issues standards under section 586(f) of title 28.

On page 14, after the matter between lines 18 and 19, insert the following:

(d) STANDARDS FOR ASSESSING CERTAIN EXPENSES.—Section 586 of title 28, United States Code, is amended by adding at the end the following:

''(f)(1) Not later than 1 year after the date of enactment of this subsection, the Director of the Executive Office for the United States Trustees, in consultation with the Secretary of the Treasury, shall issue standards, specific and appropriate to bankruptcy, for assessing the monthly expenses of the debtor under section 707(b)(2) of title 11, for—

''(A) the categories of expenses included under the national standards issued by the Internal Revenue Service; and

''(B) the categories of expenses related to maintaining a primary residence not included in clause (ii)(I) or (iii) of section 707(b)(2)(A) of title 11, including expenses for utilities, maintenance and repair, homeowners insurance, and property taxes, for a debtor who owns the debtor's primary residence.

''(2) In issuing standards under paragraph (1), the Director shall—

''(A) establish set expense amounts at levels that afford debtors adequate and not excessive means to provide for basic living expenses for the categories of expenses described in paragraph (1); and

''(B) ensure that such set expense amounts account for, at a minimum, regional variations in the cost of living and for variations in family size.''.

On page 169, line 11, strike ''(f)'' and insert ''(g)''.

On page 169, line 13, strike ''(f)'' and insert ''(g)''.

On page 172, line 7, strike ''(f)'' and insert ''(g)''.

On page 172, line 13, strike ''(f)'' and insert ''(g)''.

SCHUMER AMENDMENT NO. 2761

(Ordered to lie on the table.)

Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

''(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

''(A) subject to paragraphs (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

''(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required.''

For purposes of this subsection, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefeault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title).''

(2) in paragraph (2), by striking the current text and inserting the following:

''(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

''(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 24-point or larger type and in the form of a table which—

''(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases clearly and concisely;

''(ii) shall state the long-term annual percentage rate for purchases clearly and concisely;

''(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

''(v) shall contain no other item of information.

''(B) The information described in paragraphs (1)(A)(ii), (1)(A)(iii), (1)(A)(iv), (1)(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraph (1) of section 1637(c) of this title or a written application or solicitation as large as or larger than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

''(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

''(ii) shall contain clear and concise headings set forth in 12-point type;

''(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

''(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board.''

''(C) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation smaller than 8.5 inches in width and 11 inches in length described in paragraph (3)(B) of section 1637(c) of this title in 12-point type and shall—

''(i) be set forth separately from and immediately beneath the table described in subparagraph (A) of this paragraph; and

''(ii) not be disclosed in the form of a table.

''(D) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

''(i) be set forth in 12-point boldface type;

''(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph or the information described in subparagraph (C) of this paragraph, whichever is applicable;

''(iii) not be disclosed in the form of a table; and

''(iv) where the long-term annual percentage rate for purchase is not the only annual percentage rate applicable to the credit account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type.''

(3) by adding at the end the following:

''(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

''(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to

be practicable and appropriate, be in the form of a table which—

''(i) contains clear and concise headings for each item of such information; and

''(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading.''

''(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

''(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

''(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning.''

SCHUMER (AND DURBIN) AMENDMENT NO. 2762

(Ordered to lie on the table.)

Mr. SCHUMER (for himself and Mr. DUNKIN) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

On page 9, line 12, strike ''As part'' and insert ''Except as provided under clause (ii), as part''.

On page 9, insert between lines 17 and 18 the following:

''(ii) A debtor against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in subparagraph (D), bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, shall not be required to include calculations that determine whether a presumption arises under this paragraph as part of the schedule of current income and expenditures required under section 521.

On page 9, line 18, strike ''(ii)'' and insert ''(iii)''.

On page 9, insert between lines 21 and 22 the following:

''(D)(i) No judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest shall bring a motion alleging abuse of this chapter based upon the presumption established by this paragraph, if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national or applicable State median household monthly income calculated (subject to clause (ii)) on a semiannual basis for a household of equal size.

''(ii) For a household of more than 4 individuals, the national or applicable State median household monthly income shall be that of a household of 4 individuals, plus $583 for each additional member of that household.

On page 11, line 9, strike ''(A)'' and insert ''(A)(i) except as provided under clause (ii),''.

On page 11, insert between lines 14 and 15 the following:

''(ii) with respect to an individual debtor under this chapter against whom a judge, United States trustee, panel trustee, bankruptcy administrator, or other party in interest may not, for the reason specified in section 707(b)(2)(D), bring a motion alleging abuse of this chapter based upon the presumption established by section 707(b)(2), the United States trustee or bankruptcy administrator shall not be required to file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b)(2); and

On page 11, line 19, strike ''receiving'' and insert ''filing''.

On page 11, line 20, strike ''filed''.

On page 14, strike lines 8 through 14 and insert the following:

''(5)(A) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under section 707(b), if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

''(i) the national or applicable State median household income last reported by the Bureau of the Census for a household of equal size, whichever is greater; or

''(ii) in the case of a household of 1 person, the national or applicable State median household income last reported by the Bureau of the Census for 1 earner, whichever is greater.

''(B) Notwithstanding subparagraph (A), the national or applicable State median household income for a household of more than 4 individuals shall be the national or applicable State median household income last reported by the Bureau of the Census for a household of 4 individuals, whichever is greater, plus $6,996 for each additional member of that household.''.

SCHUMER (AND OTHERS) AMENDMENT NO. 2763

(Ordered to lie on the table.)

Mr. SCHUMER (for himself, Mrs. FEINSTEIN, Mr. LEAHY, Mrs. MURRAY, Mr. LAUTENBERG, and Mr. DURBIN) submitted an amendment to be proposed by them to the bill, S. 625, supra; as follows:

On page 124, between lines 14 and 15, insert the following:

SEC. 322. NONDISCHARGEABILITY OF DEBTS INCURRED THROUGH THE COMMISSION OF VIOLENCE AT CLINICS.

Section 523(a) of title 11, United States Code, as amended by section 224 of this Act, is amended—

(1) in paragraph (18), by striking ''or'' at the end;

(2) in paragraph (19)(B), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(20) that results from any judgment, order, consent order, or decree entered in any Federal or State court, or contained in any settlement agreement entered into by the debtor, including any damages, fine, penalty, citation, or attorney fee or cost owed by the debtor, arising from—

''(A) an actual or potential action under section 248 of title 18;

''(B) an actual or potential action under any Federal, State, or local law, the purpose of which is to protect—

''(i) access to a health care facility, including a facility providing reproductive health services, as defined in section 248(e) of title 18 (referred to in this paragraph as a 'health care facility'); or

''(ii) the provision of health services, including reproductive health services (referred to in this paragraph as 'health services');

''(C) an actual or potential action alleging the violation of any Federal, State, or local statutory or common law, including chapter 96 of title 18 and the Federal civil rights laws (including sections 1977 through 1980 of the Revised Statutes) that results from the debtor's actual, attempted, or alleged—

''(i) harassment of, intimidation of, interference with, obstruction of, injury to, threat to, or violence against any person—

''(I) because that person provides or has provided health services;

''(II) because that person is or has been obtaining health services; or

''(III) to deter that person, any other person, or a class of persons from obtaining or providing health services; or

''(ii) damage or destruction of property of a health care facility; or

''(D) an actual or alleged violation of a court order or injunction that protects access to a health care facility or the provision of health services.''.

SCHUMER AMENDMENTS NOS. 2764–2767

(Ordered to lie on the table.)

Mr. SCHUMER submitted four amendments intended to be proposed by him to the bill, S. 625, supra; as follows:

AMENDMENT NO. 2764

On page 7, line 9, after ''reduced by'' insert ''estimated administrative expenses and reasonable attorneys' fees, and''.

On page 7, strike line 24 through page 8, line 3, and insert the following:

''(I) the sum of—

''(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

''(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's property that serves as collateral for secured debts; divided by

''(II) 60.

On page 9, line 6, after ''reduced by'' insert ''estimated administrative expenses and reasonable attorneys' fees, and''.

On page 10, strike lines 12 and 13 and insert the following:

(1) in section 101—

(A) by inserting after paragraph (10) the following:

On page 11, insert between lines 2 and 3 the following:

(B) by inserting after paragraph (17) the following:

''(17A) 'estimated administrative expenses and reasonable attorneys' fees' means 10 percent of projected payments under a chapter 13 plan;'' and

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AMENDMENT NO. 2765

On page 7, line 15, strike ''(ii)'' and insert ''(ii)(I)''.

On page 7, between lines 21 and 22, insert the following:

''(II) In addition, the debtor's monthly expenses shall include the reasonably necessary monthly expenses incurred by a debtor who is eligible to receive or is receiving payments under State unemployment insurance laws, the Federal dislocated workers assistance programs under title III of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the successor Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.), the trade adjustment assistance programs provided for under title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), or State assistance programs for displaced or dislocated workers and incurred for the purpose of obtaining and maintaining employment.

AMENDMENT NO. 2766

At the appropriate place, insert the following:

SEC. ___. DISCLOSURES RELATED TO ''INTRODUCTORY RATES''.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account that offers a temporary annual percentage rate of interest, either for which a disclosure is required

under paragraph (1), or which contains the items described in paragraph (1) and is made available to the public or contained in catalogs, magazines, or other publications, shall, along with all promotional materials accompanying such application or solicitation—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear in the same type size and type style used to state the temporary annual percentage rate;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state the following in a prominent location immediately proximate to the most prominent listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)) on a document and in the same type size and type style used to state the proximate temporary annual percentage rate: the date on which the introductory period will end and the annual percentage rate that would apply if the introductory period ended on the date on which the application or solicitation was printed.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) any and all circumstances or events that may result in the revocation of the temporary annual percentage rate; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, the annual percentage rate that would apply if the temporary annual percentage rate was revoked on the date on which the application or solicitation was printed.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than the annual percentage rate of interest that will apply if the introductory period ended on the date on which the application was printed; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede any disclosure required by paragraph (1) or any other provision of this subsection.''.

AMENDMENT NO. 2767

At the appropriate place, insert the following new section:

SEC. . TRUTH IN LENDING DISCLOSURES.

Section 122(c) of the Truth in Lending Act (15 U.S.C. 1632(c)) is amended—

(1) in paragraph (1), by striking the current text and inserting the following:

''(1) IN GENERAL.—The information described in paragraphs (1), (3)(B)(i)(I), (4)(A), and (4)(C)(i)(I) of section 1637(c) of this title and the long-term annual percentage rate for purchases shall—

''(A) subject to paragraph (2) and (3) of this subsection, be disclosed in the form and manner which the Board shall prescribe by regulations; and

''(B) be placed in a conspicuous and prominent location on or with any written application, solicitation, or other document or paper with respect to which such disclosure is required.''

For purposes of this subsection, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title), except that in the case of a credit card account to which an introductory or temporary discounted rate applies, the term ''long-term annual percentage rate for purchases'' means the highest nondefault annual percentage rate for purchases applicable to the credit card account offered, solicited or advertised that will apply after the expiration of the introductory or temporary discounted rate, calculated at the time of mailing (in the case of an application or solicitation described in paragraph (1) of section 1637(c) of this title) or printing (in the case of an application or solicitation described in paragraphs (3)(B) of section 1637(c) of this title).''

(2) in paragraph (2), by striking the current text and inserting the following:

''(2) TABULAR FORMATS FOR CREDIT CARD DISCLOSURES.—

''(A) The long-term annual percentage rate for purchases shall be disclosed on or with a written application or solitiation described in paragraphs (1) or (3)(B) of section 1637(c) of title in 24-point or larger type and in the form of a table which—

''(i) shall contain a clear and concise heading set forth in the same type size as the long-term annual percentage rate for purchases;

''(i) shall state the long-term annual percentage rate for purchases clearly and concisely;

''(iii) where the long-term annual percentage rate for purchases is based on a variable rate, shall use the term 'currently' to describe the long-term annual percentage rate for purchases;

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, shall include an asterisk placed immediately following the long-term annual percentage rate for purchases; and

''(v) shall contain no other item of information.

''(B) The information described in paragraphs (1)(A)(ii), 1(A)(iii), (1)(A)(iv), 1(B) and (3)(B)(i)(I) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title in 12-point type and in the form of a table which—

''(i) shall appear separately from and immediately beneath the table described in subparagraph (A) of this paragraph;

''(ii) shall contain clear and concise headings set forth in 12-point type;

''(iii) shall provide a clear and concise form for stating each item of information required to be disclosed under each such heading; and

''(iv) may list the items required to be included in this table in a different order than the order set forth in paragraph (1) of section 1637 of this title, subject to the approval of the Board.''

''(C) Notwithstanding the inclusion of any of the information described in paragraph (1)(A)(i) of section 1637(c) of this title in the table described in subparagraph (A) of this paragraph, the information described in paragraph (1)(A)(i) of section 1637(c) of this title shall be disclosed on or with a written application or solicitation described in paragraphs (1) or (3)(B) of section 1637(c) of this title and shall—

''(i) be set forth in 12-point boldface type;

''(ii) be set forth separately from and immediately beneath the table described in subparagraph (B) of this paragraph;

''(iii) not be disclosed in the form of a table; and

''(iv) where the long-term annual percentage rate for purchases is not the only annual percentage rate applicable to the credit card account offered, solicited or advertised, be preceded by an asterisk set forth in 12-point boldface type.''

(3) by adding at the end the following:

''(3) TABULAR FORMAT FOR CHARGE CARD DISCLOSURES.—

''(A) In the regulations prescribed under paragraph (1)(A) of this subsection, the Board shall require that the disclosure of the information described in paragraphs (4)(A) and (4)(C)(i)(I) of section 1637(c) of this title shall, to the extent the Board determines to be practicable and appropriate, be in the form of a table which—

''(i) contains clear and concise headings for each item of such information; and

''(ii) provides a clear and concise form for stating each item of information required to be disclosed under each such heading.''

''(B) In prescribing the form of the table under subparagraph (A) of this paragraph, the Board may—

''(i) list the items required to be included in the table in a different order than the order set forth in paragraph (4)(A) of section 1637(c) of this title; and

''(ii) employ terminology which is different than the terminology which is employed in section 1637(c) of this title if such terminology conveys substantially the same meaning.''

LEVIN AMENDMENT NO. 2768

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON CERTAIN RETROACTIVE FINANCE CHARGES.

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON RETROACTIVE FINANCE CHARGES.—

''(1) IN GENERAL.—In the case of any credit card account under an open end credit plan, if the creditor provides a grace period applicable to any new extension of credit under

the account, no finance charge may be imposed subsequent to the grace period with regard to any amount that was paid on or before the end of that grace period.

''(2) DEFINITION.—For purposes of this subsection, the term 'grace period' means a period during which the extension of credit may be repaid, in whole or in part, without incurring a finance charge for the extension of credit.''.

DODD AMENDMENT NO. 2769

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

On page 83, between lines 4 and 5, insert the following:

SEC. 2___. PROTECTION OF EDUCATION SAVINGS.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, as amended by section 903, is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking ''or'' at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

''(6) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(7) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000; or''; and

(2) by adding at the end the following:

''(f) In determining whether any of the relationships specified in paragraph (6)(A) or (7)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.-Section 521 of title 11, United States Code, as amended by sections 105(d), 304(c)(1), 305(2), 315(b), and 316 of this Act, is amended by adding at the end the following:

''(k) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

HARKIN AMENDMENT NO. 2270

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place in the bill, add the following section:

SEC. . (a) INVALIDATING HIDDEN SECURITY INTERESTS AND NEARLY VALUELESS HOUSEHOLD LIENS.

(1) EXEMPT PROPERTY.—Section 522(f) of title 11, United States Code, is amended by adding at the end the following:

''(4) A lien held by a creditor on an interest of the debtor in any item of household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, or jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor shall be void unless—

''(A) the holder of the lien files with the court and serves on the debtor, within 30 days after the meeting of creditors or before the hearing on confirmation of a plan, whichever occurs first, a sworn declaration that the purchase price for the particular item that is subject to such lien exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition, and

''(B)(i) the debtor does not timely object to such declaration; or

''(ii)(I) the debtor objects to such declaration; and

''(II) the court finds that the purchase price of the item exceeded $1,000 or that the item was purchased within 180 days prior to the filing of the bankruptcy petition and that such lien is not avoidable under paragraph (f)(1) of this section.''.

(2) CONFORMING AMENDMENT.—Section 104(b)(1) of title 11, United States Code, is amended by inserting ''552(f),'' after ''552(d)''.

HATCH (AND OTHERS) AMENDMENT NO. 2771

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. ASHCROFT, and Mr. ABRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ____—METHAMPHETAMINE AND OTHER CONTROLLED SUBSTANCES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Methamphetamine Anti-Proliferation Act of 1999''.

Subtitle A—Methamphetamine Production, Trafficking, and Abuse

CHAPTER 1—CRIMINAL PENALTIES

SEC. ___11. ENHANCED PUNISHMENT OF AMPHETAMINE LABORATORY OPERATORS.

(a) AMENDMENT TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any offense relating to the manufacture, importation, exportation, or trafficking in amphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(1) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(2) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(3) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(b) GENERAL REQUIREMENT.—In carrying out this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) relating to amphetamine—

(1) review and amend its guidelines to provide for increased penalties such that those penalties are comparable to the base offense level for methamphetamine; and

(2) take any other action the Commission considers necessary to carry out this subsection.

(c) ADDITIONAL REQUIREMENTS.—In carrying out this section, the United States Sentencing Commission shall ensure that the sentencing guidelines for offenders convicted of offenses described in subsection (a) reflect the heinous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving amphetamines, including—

(1) the rapidly growing incidence of amphetamine abuse and the threat to public safety that such abuse poses;

(2) the high risk of amphetamine addiction;

(3) the increased risk of violence associated with amphetamine trafficking and abuse; and

(4) the recent increase in the illegal importation of amphetamine and precursor chemicals.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___12. ENHANCED PUNISHMENT OF AMPHETAMINE OR METHAMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, attempt to manufacture, or conspiracy to manufacture amphetamine or methamphetamine in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this paragraph, the United States Sentencing Commission shall—

(A) if the offense created a substantial risk of harm to human life (other than a life described in subparagraph (B)) or the environment, increase the base offense level for the offense—

(i) by not less than 3 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 27, to not less than level 27; or

(B) if the offense created a substantial risk of harm to the life of a minor or incompetent, increase the base offense level for the offense—

(i) by not less than 6 offense levels above the applicable level in effect on the date of the enactment of this Act; or

(ii) if the resulting base offense level after an increase under clause (i) would be less than level 30, to not less than level 30.

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of enactment of this Act.

SEC. ___13. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking ''may'' and inserting ''shall'';

(2) by inserting ''amphetamine or'' before ''methamphetamine'' each place it appears;

(3) in paragraph (2)—

(A) by inserting '', the State or local government concerned, or both the United States and the State or local government concerned'' after ''United States'' the first place it appears; and

(B) by inserting ''or the State or local government concerned, as the case may be,'' after ''United States'' the second place it appears; and

(4) in paragraph (3), by striking ''section 3663 of title 18, United States Code'' and inserting ''section 3663A of title 18, United States Code''.

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(D) all amounts collected—

''(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

''(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States.''.

(c) CLARIFICATION OF CERTAIN ORDERS OF RESTITUTION.—Section 3663(c)(2)(B) of title 18, United States Code, is amended by inserting ''which may be'' after ''the fine''.

(d) EXPANSION OF APPLICABILITY OF MANDATORY RESTITUTION.—Section 3663A(c)(1)(A)(ii) of title 18, United States Code, is amended by inserting ''or under section 416(a) of the Controlled Substances Act (21 U.S.C. 856(a)),'' after ''under this title,''.

(e) TREATMENT OF ILLICIT SUBSTANCE MANUFACTURING OPERATIONS AS CRIMES AGAINST PROPERTY.—Section 416 of the Controlled Substances Act (21 U.S.C. 856) is amended by adding at the end the following new subsection:

''(c) A violation of subsection (a) shall be considered an offense against property for purposes of section 3663A(c)(1)(A)(ii) of title 18, United States Code.''.

SEC. ___14. METHAMPHETAMINE PARAPHERNALIA.

Section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)) is amended in the matter preceding paragraph (1) by inserting ''methamphetamine,'' after ''PCP,''.

CHAPTER 2—ENHANCED LAW ENFORCEMENT

SEC. ___21. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.

(a) USE OF AMOUNTS OR DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting ''(i) for'' before ''disbursements'';

(2) by inserting ''and'' after the semicolon; and

(3) by adding at the end the following:

''(ii) for payment for—

''(I) costs incurred by or on behalf of the Department of Justice in connection with the removal, for purposes of Federal forfeiture and disposition, of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

''(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine, to the extent such costs exceed equitable sharing payments made to such State or local government in such case;''.

(b) GRANTS UNDER DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: ''and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine''.

(c) AMOUNTS SUPPLEMENT AND NOT SUPPLANT.—

(1) ASSETS FORFEITURE FUND.—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Department of Justice in such fiscal year from other sources for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) GRANT PROGRAM.—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year from other sources for such removal.

SEC. ___22. REDUCTION IN RETAIL SALES TRANSACTION THRESHOLD FOR NON-SAFE HARBOR PRODUCTS CONTAINING PSEUDOEPHEDRINE OR PHENLYPROPANOLAMINE.

(a) REDUCTION IN TRANSACTION THRESHOLD.—Section 102(39)(A)(iv)(II) of the Controlled Substances Act (21 U.S.C. 802(39)(A)(iv)(II) is amended—

(1) by striking ''24 grams'' both places it appears and inserting ''9 grams''; and

(2) by inserting before the semicolon at the end the following: ''and sold in package sizes of not more than 3 grams of pseudoephedrine base or 3 grams of phenylpropanolamine base''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. ___23. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.

(a) IN GENERAL.—

(1) REQUIREMENT.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b) with respect to the law enforcement personnel of States and localities determined by the Administrator to have significant levels of methamphetamine-related or amphetamine-related crime or projected by the Administrator to have the potential for such levels of crime in the future.

(2) DURATION.—The duration of any program under that subsection may not exceed 3 years.

(b) COVERED PROGRAMS.—The programs described in this subsection are as follows:

(1) ADVANCED MOBILE CLANDESTINE LABORATORY TRAINING TEAMS.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) BASIC CLANDESTINE LABORATORY CERTIFICATION TRAINING.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) CLANDESTINE LABORATORY RECERTIFICATION AND AWARENESS TRAINING.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) $1,500,000 to carry out the program described in subsection (b)(1).

(2) $3,000,000 to carry out the program described in subsection (b)(2).

(3) $1,000,000 to carry out the program described in subsection (b)(3).

SEC. ___24. COMBATING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.

(a) IN GENERAL.—

(1) IN GENERAL.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) ACTIVITIES.—In meeting the requirement in paragraph (1), the Director shall provide funds for—

(A) employing additional Federal law enforcement personnel, or facilitating the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, chemists, investigative assistants, and drug-prevention specialists; and

(B) such other activities as the Director considers appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section—

(1) $15,000,000 for fiscal year 2000; and

(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) APPORTIONMENT OF FUNDS.—

(1) FACTORS IN APPORTIONMENT.—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence and predictive data from the Drug Enforcement Administration and the Department of Health and Human Services showing patterns and trends in abuse, trafficking, and transportation in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) CERTIFICATION.—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

SEC. ___25. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.

(a) ACTIVITIES.—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking, including assistance with foreign-language interpretation;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations;

(5) enhance the investigative and related functions of the Chemical Control Program of the Administration to implement more fully the provisions of the Comprehensive Methamphetamine Control Act of 1996 (Public Law 104–237);

(6) design an effective means of requiring an accurate accounting of the import and export of list I chemicals, and coordinate investigations relating to the diversion of such chemicals;

(7) develop a computer infrastructure sufficient to receive, process, analyze, and redistribute time-sensitive enforcement information from suspicious order reporting to field offices of the Administration and other law enforcement and regulatory agencies, including the continuing development of the Suspicious Order Reporting and Tracking System (SORTS) and the Chemical Transaction Database (CTRANS) of the Administration;

(8) establish an education, training, and communication process in order to alert the industry to current trends and emerging patterns in the illegal manufacturing of amphetamine and methamphetamine; and

(9) carry out such other activities as the Administrator considers appropriate.

(b) ADDITIONAL POSITIONS AND PERSONNEL.—

(1) IN GENERAL.—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(2) PARTICULAR POSITIONS.—In carrying out activities under paragraphs (5) through (8) of subsection (a), the Administrator may establish in the Administration not more than 15 full-time positions, including not more than 10 diversion investigator positions, and may appoint personnel to such positions. Any positions established under this paragraph are in addition to any positions established under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Drug Enforcement Administration for each fiscal year after fiscal year 1999, $9,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b), of which $3,000,000 shall be available for activities under paragraphs (5) through (8) of subsection (a) and employing personnel in positions established under subsection (b)(2).

CHAPTER 3—ABUSE PREVENTION AND TREATMENT

SEC. ___31. EXPANSION OF METHAMPHETAMINE RESEARCH.

Section 464N of the Public Health Service Act (42 U.S.C. 285o–2) is amended by adding at the end the following:

''(c) METHAMPHETAMINE RESEARCH.—

''(1) GRANTS OR COOPERATIVE AGREEMENTS.—The Director of the Institute may make grants or enter into cooperative agreements to expand the current and on-going interdisciplinary research and clinical trials with treatment centers of the National Drug Abuse Treatment Clinical Trials Network relating to methamphetamine abuse and addiction and other biomedical, behavioral, and social issues related to methamphetamine abuse and addiction.

''(2) USE OF FUNDS.—Amounts made available under a grant or cooperative agreement under paragraph (1) for methamphetamine abuse and addiction may be used for research and clinical trials relating to—

''(A) the effects of methamphetamine abuse on the human body, including the brain;

''(B) the addictive nature of methamphetamine and how such effects differ with respect to different individuals;

''(C) the connection between methamphetamine abuse and mental health;

''(D) the identification and evaluation of the most effective methods of prevention of methamphetamine abuse and addiction;

''(E) the identification and development of the most effective methods of treatment of methamphetamine addiction, including pharmacological treatments;

''(F) risk factors for methamphetamine abuse;

''(G) effects of methamphetamine abuse and addiction on pregnant women and their fetuses; and

''(H) cultural, social, behavioral, neurological and psychological reasons that individuals abuse methamphetamine, or refrain from abusing methamphetamine.

''(3) RESEARCH RESULTS.—The Director shall promptly disseminate research results under this subsection to Federal, State and local entities involved in combating methamphetamine abuse and addiction.

''(4) AUTHORIZATION OF APPROPRIATIONS.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1), such sums as may be necessary for each fiscal year.

''(B) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) for a fiscal year shall supplement and not supplant any other amounts appropriated in such fiscal year for research on methamphetamine abuse and addiction.''.

SEC. ___32. METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE BY CENTER FOR SUBSTANCE ABUSE TREATMENT.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following new section:

''METHAMPHETAMINE AND AMPHETAMINE TREATMENT INITIATIVE

''SEC. 514. (a) GRANTS.—

''(1) AUTHORITY TO MAKE GRANTS.—The Director of the Center for Substance Abuse Treatment may make grants to States and Indian tribes recognized by the United States that have a high rate, or have had a rapid increase, in methamphetamine or amphetamine abuse or addiction in order to permit such States and Indian tribes to expand activities in connection with the treatment of methamphetamine or amphetamine abuser or addiction in the specific geographical areas of such States or Indian tribes, as the case may be, where there is such a rate or has been such an increase.

''(2) RECIPIENTS.—Any grants under paragraph (1) shall be directed to the substance abuse directors of the States, and of the appropriate tribal government authorities of

the Indian tribes, selected by the Director to receive such grants.

''(3) NATURE OF ACTIVITIES.—Any activities under a grant under paragraph (1) shall be based on reliable scientific evidence of their efficacy in the treatment of methamphetamine or amphetamine abuse or addiction.

''(b) GEOGRAPHIC DISTRIBUTION.—The Director shall ensure that grants under subsection (a) are distributed equitably among the various regions of the country and among rural, urban, and suburban areas that are affected by methamphetamine or amphetamine abuse or addiction.

''(c) ADDITIONAL ACTIVITIES.—The Director shall—

''(1) evaluate the activities supported by grants under subsection (a);

''(2) disseminate widely such significant information derived from the evaluation as the Director considers appropriate to assist States, Indian tribes, and private providers of treatment services for methamphetamine or amphetamine abuser or addiction in the treatment of methamphetamine or amphetamine abuse or addiction; and

''(3) provide States, Indian tribes, and such providers with technical assistance in connection with the provision of such treatment.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 and 2002.

''(2) USE OF CERTAIN FUNDS.—Of the funds appropriated to carry out this section in any fiscal year, the lesser of 5 percent of such funds or $1,000,000 shall be available to the Director for purposes of carrying out subsection (c).''.

SEC. ___33. EXPANSION OF METHAMPHETAMINE ABUSE PREVENTION EFFORTS.

(a) EXPANSION OF EFFORTS.—Section 515 of the Public Health Service Act (42 U.S.C. 290bb–21) is amended by adding at the end the following:

''(e)(1) The Administrator may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities—

''(A) to carry out school-based programs concerning the dangers of abuse of and addiction to methamphetamine and other illicit drugs, using methods that are effective and science-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

''(B) to carry out community-based abuse and addiction prevention programs relating to methamphetamine and other illicit drugs that are effective and science-based.

''(2) Amounts made available under a grant, contract or cooperative agreement under paragraph (1) shall be used for planning, establishing, or administering prevention programs relating to methamphetamine and other illicit drugs in accordance with paragraph (3).

''(3)(A) Amounts provided under this subsection may be used—

''(i) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine abuse and addiction and targeted at populations which are most at risk to start abuse of methamphetamine and other illicit drugs;

''(ii) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for abuse of and addiction to methamphetamine and other illicit drugs;

''(iii) to assist local government entities to conduct appropriate prevention activities relating to methamphetamine and other illicit drugs;

''(iv) to train and educate State and local law enforcement officials, prevention and education officials, members of community anti-drug coalitions and parents on the signs of abuse of and addiction to methamphetamine and other illicit drugs, and the options for treatment and prevention;

''(v) for planning, administration, and educational activities related to the prevention of abuse of and addiction to methamphetamine and other illicit drugs;

''(vi) for the monitoring and evaluation of prevention activities relating to methamphetamine and other illicit drugs, and reporting and disseminating resulting information to the public; and

''(vii) for targeted pilot programs with evaluation components to encourage innovation and experimentation with new methodologies.

''(B) The Administrator shall give priority in making grants under this subsection to rural and urban areas that are experiencing a high rate or rapid increases in methamphetamine abuse and addiction.

''(4)(A) Not less than $500,000 of the amount available in each fiscal year to carry out this subsection shall be made available to the Administrator, acting in consultation with other Federal agencies, to support and conduct periodic analyses and evaluations of effective prevention programs for abuse of and addiction to methamphetamine and other illicit drugs and the development of appropriate strategies for disseminating information about and implementing these programs.

''(B) The Administrator shall submit to the committees of Congress referred to in subparagraph (C) an annual report with the results of the analyses and evaluation under subparagraph (A).

''(C) The committees of Congress referred to in this subparagraph are the following:

''(i) The Committees on Health, Education, Labor, and Pensions, the Judiciary, and Appropriations of the Senate.

''(ii) The Committees on Commerce, the Judiciary, and Appropriations of the House of Representatives.''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR EXPANSION OF ABUSE PREVENTION EFFORTS AND PRACTITIONER REGISTRATION REQUIREMENTS.—There is authorized to be appropriated to carry out section 515(e) of the Public Health Service Act (as added by subsection (a)) and section 303(g)(2) of the Controlled Substances Act (as added by section 18(a) of this Act), $15,000,000 for fiscal year 2000, and such sums as may be necessary for each succeeding fiscal year.

SEC. ___34. STUDY OF METHAMPHETAMINE TREATMENT.

(a) STUDY.—

(1) REQUIREMENT.—The Secretary of Health and Human Services shall, in consultation with the Institute of Medicine of the National Academy of Sciences, conduct a study on the development of medications for the treatment of addiction to amphetamine and methamphetamine.

(2) REPORT.—Not later than nine months after the date of the enactment of this Act, the Secretary shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on the results of the study conducted under paragraph (1).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated for the Department of Health and Human Services for fiscal year 2000 such sums as may be necessary to meet the requirements of subsection (a).

CHAPTER 4—REPORTS

SEC. ___41. REPORTS ON CONSUMPTION OF METHAMPHETAMINE AND OTHER ILLICIT DRUGS IN RURAL AREAS, METROPOLITAN AREAS, AND CONSOLIDATED METROPOLITAN AREAS.

The Secretary of Health and Human Services shall include in each National Household Survey on Drug Abuse appropriate prevalence data and information on the consumption of methamphetamine and other illicit drugs in rural areas, metropolitan areas, and consolidated metropolitan areas.

SEC. ___42. REPORT ON DIVERSION OF ORDINARY OVER-THE-COUNTER PSEUDOEPHEDRINE AND PHENYLPROPANOLAMINE PRODUCTS.

(a) STUDY.—The Attorney General shall conduct a study of the use of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products in the clandestine production of illicit drugs. Sources of data for the study shall include the following:

(1) Information from Federal, State, and local clandestine laboratory seizures and related investigations identifying the source, type, or brand of drug products being utilized and how they were obtained for the illicit production of methamphetamine and amphetamine.

(2) Information submitted voluntarily from the pharmaceutical and retail industries involved in the manufacture, distribution, and sale of drug products containing ephedrine, pseudoephedrine, and phenylpropanolamine, including information on changes in the pattern, volume, or both, of sales of ordinary over-the-counter pseudoephedrine and phenylpropanolamine products.

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2001, the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(2) ELEMENTS.—The report shall include—

(A) the findings of the Attorney General as a result of the study; and

(B) such recommendations on the need to establish additional measures to prevent diversion of ordinary over-the-counter pseudoephedrine and phenylpropanolamine (such as a threshold on ordinary over-the-counter pseudoephedrine and phenylpropanolamine products) as the Attorney General considers appropriate.

(3) MATTERS CONSIDERED.—In preparing the report, the Attorney General shall consider the comments and recommendations of State and local law enforcement and regulatory officials and of representatives of the industry described in subsection (a)(2).

Subtitle B—Controlled Substances Generally

CHAPTER 1—CRIMINAL MATTERS

SEC. ___51. ENHANCED PUNISHMENT FOR TRAFFICKING IN LIST I CHEMICALS.

(a) AMENDMENTS TO FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with this section with respect to any violation of paragraph (1) or (2) of section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) involving a list I chemical and any violation of paragraph (1) or (3) of section 1010(d) of the Controlled Substance Import and Export Act (21 U.S.C. 960(d)) involving a list I chemical.

(b) EPHEDRINE, PHENYLPROPANOLAMINE, AND PSEUDOEPHEDRINE.—

(1) IN GENERAL.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving ephedrine, phenylpropanolamine, or pseudoephedrine (including their salts, optical isomers, and salts of optical isomers), review and amend its

guidelines to provide for increased penalties such that those penalties corresponded to the quantity of controlled substance that could reasonably have been manufactured using the quantity of ephedrine, phenylpropanolamine, or pseudoephedrine possessed or distributed.

(2) CONVERSION RATIOS.—For the purposes of the amendments made by this subsection, the quantity of controlled substance that could reasonably have been manufactured shall be determined by using a table of manufacturing conversion ratios for ephedrine, phenylpropanolamine, and pseudoephedrine, which table shall be established by the Sentencing Commission based on scientific, law enforcement, and other data the Sentencing Commission considers appropriate.

(c) OTHER LIST I CHEMICALS.—In carrying this section, the United States Sentencing Commission shall, with respect to each offense described in subsection (a) involving any list I chemical other than ephedrine, phenylpropanolamine, or pseudoephedrine, review and amend its guidelines to provide for increased penalties such that those penalties reflect the dangerous nature of such offenses, the need for aggressive law enforcement action to fight such offenses, and the extreme dangers associated with unlawful activity involving methamphetamine and amphetamine, including—

(1) the rapidly growing incidence of controlled substance manufacturing;

(2) the extreme danger inherent in manufacturing controlled substances;

(3) the threat to public safety posed by manufacturing controlled substances; and

(4) the recent increase in the importation, possession, and distribution of list I chemicals for the purpose of manufacturing controlled substances.

(d) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this section as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100–182), as though the authority under that Act had not expired.

SEC. ___52. MAIL ORDER REQUIREMENTS.

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) As used in this paragraph:

''(i) The term 'drug product' means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

''(ii) The term 'valid prescription' means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner's professional practice.'';

(3) in subparagraph (B), as so redesignated, by inserting ''or who engages in an export transaction'' after ''nonregulated person''; and

(4) adding at the end the following:

''(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

''(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

''(ii) Distributions of drug products by retail distributors that may not include face-to-face transactions to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

''(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

''(iv) Distributions of drug products pursuant to a valid prescription.

''(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

''(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

''(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an expedited hearing as provided in section 1018(c)(2).''.

SEC. ___53. INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''one year'' and inserting ''5 years''.

SEC. ___54. INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''three years'' each place that term appears and inserting ''5 years''.

SEC. ___55. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) DRUG PARAPHERNALIA.—Subsection (a)(1) of section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended by inserting '', directly or indirectly advertise for sale,'' after ''sell''.

(b) DIRECTLY OR INDIRECTLY ADVERTISE FOR SALE DEFINED.—Such section 422 is further amended by adding at the end the following new subsection:

''(g) In this section, the term 'directly or indirectly advertise for sale' means the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) with the intent to facilitate or promote a transaction in.''.

(c) SCHEDULE I CONTROLLED SUBSTANCES.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) in paragraph (1), as so designated—

(A) in the first sentence, by inserting before the period the following: '', or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance''; and

(B) in the second sentence, by striking ''term 'advertisement''' and inserting ''term 'written advertisement'''.

SEC. ___56. THEFT AND TRANSPORTATION OF ANHYDROUS AMMONIA FOR PURPOSES OF ILLICIT PRODUCTION OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part D of the Controlled Substances Act (21 U.S.C. 841 et seq.) is amended by adding at the end the following:

''ANHYDROUS AMMONIA

''SEC. 423. (a) It is unlawful for any person—

''(1) to steal anhydrous ammonia, or

''(2) to transport stolen anhydrous ammonia across State lines,

knowing, intending, or having reasonable cause to believe that such anhydrous ammonia will be used to manufacture a controlled substance in violation of this part.

''(b) Any person who violates subsection (a) shall be imprisoned or fined, or both, in accordance with section 403(d) as if such violation were a violation of a provision of section 403.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by inserting after the item relating to section 421 the following new items:

''Sec. 422. Drug paraphernalia.
''Sec. 423. Anhydrous ammonia.''.

(c) ASSISTANCE FOR CERTAIN RESEARCH.—

(1) AGREEMENT.—The Administrator of the Drug Enforcement Administration shall seek to enter into an agreement with Iowa State University in order to permit the University to continue and expand its current research into the development of inert agents that, when added to anhydrous ammonia, eliminate the usefulness of anhydrous ammonia as an ingredient in the production of methamphetamine.

(2) REIMBURSABLE PROVISION OF FUNDS.—The agreement under paragraph (1) may provide for the provision to Iowa State University, on a reimbursable basis, of $500,000 for purposes the activities specified in that paragraph.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Drug Enforcement Administration for fiscal year 2000, $500,000 for purposes of carrying out the agreement under this subsection.

SEC. ___57. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

''CHAPTER 22—CONTROLLED SUBSTANCES

''Sec.
''421. Distribution of information relating to manufacture of controlled substances.

''§ 421. Distribution of information relating to manufacture of controlled substances

''(a) PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO MANUFACTURE OF CONTROLLED SUBSTANCES.—

''(1) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term 'controlled substance' has the meaning given that term in

section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

''(2) PROHIBITION.—It shall be unlawful for any person—

''(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

''(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

''(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

''22. Controlled Substances ..... 421''.

CHAPTER 2—OTHER MATTERS

SEC. ___61. WAIVER AUTHORITY FOR PHYSICIANS WHO DISPENSE OR PRESCRIBE CERTAIN NARCOTIC DRUGS FOR MAINTENANCE TREATMENT OR DETOXIFICATION TREATMENT.

(a) REQUIREMENTS.—Section 303(g) of the Controlled Substances Act (21 U.S.C. 823(g)) is amended—

(1) in paragraph (2), by striking ''(A) security'' and inserting ''(i) security'', and by striking ''(B) the maintenance'' and inserting ''(ii) the maintenance'';

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(3) by inserting ''(1)'' after ''(g)'';

(4) by striking ''Practitioners who dispense'' and inserting ''Except as provided in paragraph (2), practitioners who dispense and prescribe''; and

(5) by adding at the end the following:

''(2)(A) Subject to subparagraphs (D), the requirements of paragraph (1) are waived in the case of the dispensing or prescribing, by a physician, of narcotic drugs in schedule III, IV, or V, or combinations of such drugs, if the physician meets the conditions specified in subparagraph (B) and the narcotic drugs or combinations of such drugs meet the conditions specified in subparagraph (C).

''(B)(i) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to a physician are that, before dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment, the physician submit to the Secretary and the Attorney General a notification of the intent of the physician to begin dispensing or prescribing the drugs or combinations for such purpose, and that the notification to the Secretary also contain the following certifications by the physician:

''(I) The physician—

''(aa) is a physician licensed under State law; and

''(bb) has training or experience and the ability to treat and manage opiate-dependent patients.

''(II) With respect to patients to whom the physician will provide such drugs or combinations of drugs, the physician has the capacity to refer the patients for appropriate counseling and other appropriate ancillary services.

''(III) In any case in which the physician is not in a group practice, the total number of such patients of the physician at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number.

''(IV) In any case in which the physician is in a group practice, the total number of such patients of the group practice at any one time will not exceed the applicable number. For purposes of this subclause, the applicable number is 20, except that the Secretary may by regulation change such total number, and the Secretary for such purposes may by regulation establish different categories on the basis of the number of physicians in a group practice and establish for the various categories different numerical limitations on the number of such patients that the group practice may have.

''(ii)(I) The Secretary may, in consultation with the Administrator of the Drug Enforcement Administration, the Administrator of the Substance Abuse and Mental Health Services Administration, the Director of the Center for Substance Abuse Treatment, the Director of the National Institute on Drug Abuse, and the Commissioner of Food and Drugs, issue regulations through notice and comment rulemaking or practice guidelines to implement this paragraph. The regulations or practice guidelines shall address the following:

''(aa) Approval of additional credentialing bodies and the responsibilities of credentialing bodies.

''(bb) Additional exemptions from the requirements of this paragraph and any regulations under this paragraph.

''(II) Nothing in the regulations or practice guidelines under this clause may authorize any Federal official or employee to exercise supervision or control over the practice of medicine or the manner in which medical services are provided.

''(III)(aa) The Secretary shall issue a Treatment Improvement Protocol containing best practice guidelines for the treatment and maintenance of opiate-dependent patients. The Secretary shall develop the protocol in consultation with the Director of the National Institute on Drug Abuse, the Director of the Center for Substance Abuse Treatment, the Administrator of the Drug Enforcement Administration, the Commissioner of Food and Drugs, the Administrator of the Substance Abuse and Mental Health Services Administration, and other substance abuse disorder professionals. The protocol shall be guided by science.

''(bb) The protocol shall be issued not later than 120 days after the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999.

''(IV) For purposes of the regulations or practice guidelines under subclause (I), a physician shall have training or experience under clause (i)(I)(bb) if the physician meets one or more of the following conditions:

''(aa) The physician is certified in addiction treatment by the American Society of Addiction Medicine, the American Board of Medical Specialties, the American Osteopathic Academy of Addiction Medicine, or any other certified body accredited by the Secretary.

''(bb) The physician has been a clinical investigator in a clinical trial conducted for purposes of securing approval under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or section 351 of the Public Health Service Act (42 U.S.C. 262) of a narcotic drug in schedule III, IV, or V for the treatment of addiction, if such approval was granted.

''(cc) The physician has completed training (through classroom situations, seminars, professional society meetings, electronic communications, or otherwise) provided by the American Society of Addiction Medicine, the American Academy of Addiction Psychiatry, the American Osteopathic Academy of Addiction Medicine, the American Medical Association, the American Osteopathic Association, the American Psychiatric Association, or any other organization that the Secretary determines appropriate for purposes of this item. The curricula may include training in patient need for counseling regarding HIV, Hepatitis C, and other infectious diseases, substance abuse counseling, random drug testing, medical evaluation, annual assessment, prenatal care, diagnosis of addiction, rehabilitation services, confidentiality, and other appropriate topics.

''(dd) The physician has training or experience in the treatment and management of opiate-dependent, which training or experience shall meet such criteria as the Secretary may prescribe. Any such criteria shall be effective for a period of three years after the effective date of such criteria, but the Secretary may extend the effective period of such criteria by additional periods of three years for each extension if the Secretary determines that such extension is appropriate for purposes of this item. Any such extension shall go into effect only if the Secretary publishes a notice of such extension in the Federal Register during the 30-day period ending on the date of the end of the three-year effective period of such criteria to which such extension will apply.

''(ee) The physician is certified in addiction treatment by a State medical licensing board, or an entity accredited by such board, unless the Secretary determines (after an opportunity for a hearing) that the training provided by such board or entity was inadequate for the treatment and management of opiate-dependent patients.

''(C) For purposes of subparagraph (A), the conditions specified in this subparagraph with respect to narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are as follows:

''(i) The drugs or combinations of drugs have, under the Federal Food, Drug and Cosmetic Act or section 351 of the Public Health Service Act, been approved for use in maintenance or detoxification treatment.

''(ii) The drugs or combinations of drugs have not been the subject of an adverse determination. For purposes of this clause, an adverse determination is a determination published in the Federal Register and made by the Secretary, after consultation with the Attorney General, that experience since the approval of the drug or combinations of drugs has shown that the use of the drugs or combinations of drugs for maintenance or detoxification treatment requires additional standards respecting the qualifications of physicians to provide such treatment, or requires standards respecting the quantities of the drugs that may be provided for unsupervised use.

''(D)(i) A waiver under subparagraph (A) with respect to a physician is not in effect unless (in addition to conditions under subparagraphs (B) and (C)) the following conditions are met:

''(I) The notification under subparagraph (B) is in writing and states the name of the physician.

''(II) The notification identifies the registration issued for the physician pursuant to subsection (f).

''(III) If the physician is a member of a group practice, the notification states the names of the other physicians in the practice and identifies the registrations issued for the other physicians pursuant to subsection (f).

''(IV) A period of 45 days has elapsed after the date on which the notification was submitted, and during such period the physician does not receive from the Secretary a written notice that one or more of the conditions specified in subparagraph (B), subparagraph (C), or this subparagraph, have not been met.

''(ii) The Secretary shall provide to the Attorney General such information contained in notifications under subparagraph (B) as the Attorney General may request.

''(E) If in violation of subparagraph (A) a physician dispenses or prescribes narcotic drugs in schedule III, IV, or V, or combinations of such drugs, for maintenance treatment or detoxification treatment, the Attorney General may, for purposes of section 304(a)(4), consider the physician to have committed an act that renders the registration of the physician pursuant to subsection (f) to be inconsistent with the public interest.

''(F)(i) Upon determining that a physician meets the conditions specified in subparagraph (B), the Secretary shall notify the physician and the Attorney General.

''(ii) Upon receiving notice with respect to a physician under clause (i), the Attorney General shall assign the physician an identification number under this paragraph for inclusion with the physician's current registration to prescribe narcotics. An identification number assigned a physician under this clause shall be appropriate to preserve the confidentiality of a patient prescribed narcotic drugs covered by this paragraph by the physician.

''(iii) If the Secretary fails to make a determination described in clause (i) by the end of the 45-day period beginning on the date of the receipt by the Secretary of a notification from a physician under subparagraph (B), the Attorney General shall assign the physician an identification number described in clause (ii) at the end of such period.

''(G) In this paragraph:

''(i) The term 'group practice' has the meaning given such term in section 1877(h)(4) of the Social Security Act.

''(ii) The term 'physician' has the meaning given such term in section 1861(r) of the Social Security Act.

''(H)(i) This paragraph takes effect on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, and remains in effect thereafter except as provided in clause (iii) (relating to a decision by the Secretary or the Attorney General that this paragraph should not remain in effect).

''(ii) For the purposes relating to clause (iii), the Secretary and the Attorney General shall, during the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, make determinations in accordance with the following:

''(I)(aa) The Secretary shall—

''(aaa) make a determination of whether treatments provided under waivers under subparagraph (A) have been effective forms of maintenance treatment and detoxification treatment in clinical settings;

''(bbb) make a determination regarding whether such waivers have significantly increased (relative to the beginning of such period) the availability of maintenance treatment and detoxification treatment; and

''(ccc) make a determination regarding whether such waivers have adverse consequences for the public health.

''(bb) In making determinations under this subclause, the Secretary—

''(aaa) may collect data from the practitioners for whom waivers under subparagraph (A) are in effect;

''(bbb) shall issue appropriate guidelines or regulations (in accordance with procedures for substantive rules under section 553 of title 5, United States Code) specifying the scope of the data that will be required to be provided under this subclause and the means through which the data will be collected; and

''(ccc) shall, with respect to collecting such data, comply with applicable provisions of chapter 6 of title 5, United States Code (relating to a regulatory flexibility analysis), and of chapter 8 of such title (relating to congressional review of agency rulemaking).

''(II) The Attorney General shall—

''(aa) make a determination of the extent to which there have been violations of the numerical limitations established under subparagraph (B) for the number of individuals to whom a practitioner may provide treatment; and

''(bb) make a determination regarding whether waivers under subparagraph (A) have increased (relative to the beginning of such period) the extent to which narcotic drugs in schedule III, IV, or V, or combinations of such drugs, are being dispensed or prescribed, or possessed, in violation of this Act.

''(iii) If, before the expiration of the period specified in clause (ii), the Secretary or the Attorney General publishes in the Federal Register a decision, made on the basis of determinations under such clause, that this paragraph should not remain in effect, this paragraph ceases to be in effect 60 days after the date on which the decision is so published. The Secretary shall, in making any such decision, consult with the Attorney General, and shall, in publishing the decision in the Federal Register, include any comments received from the Attorney General for inclusion in the publication. The Attorney General shall, in making any such decision, consult with the Secretary, and shall, in publishing the decision in the Federal Register, include any comments received from the Secretary for inclusion in the publication.

''(I) During the 3-year period beginning on the date of the enactment of the Methamphetamine Anti-Proliferation Act of 1999, a State may not preclude a practitioner from dispensing or prescribing narcotic drugs in schedule III, IV, or V, or combinations of such drugs, to patients for maintenance or detoxification treatment in accordance with this paragraph, or the other amendments made by section 22 of that Act, unless, before the expiration of that 3-year period, the State enacts a law prohibiting a practitioner from dispensing or prescribing such drugs or combination of drugs.''.

(b) CONFORMING AMENDMENTS.—Section 304 of the Controlled Substances Act (21 U.S.C. 824) is amended—

(1) in subsection (a), in the matter following paragraph (5), by striking ''section 303(g)'' each place the term appears and inserting ''section 303(g)(1)''; and

(2) in subsection (d), by striking ''section 303(g)'' and inserting ''section 303(g)(1)''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for purposes of activities under section 303(g)(2) of the Controlled Substances Act, as added by subsection (a), amounts as follows:

(1) For fiscal year 2000, $3,000,000.

(2) For each fiscal year after fiscal year 2000, such sums as may be necessary for such fiscal year.

Subtitle C—Cocaine Powder

SEC. ___71. SHORT TITLE.

This subtitle may be cited as the ''Powder Cocaine Sentencing Act of 1999''.

SEC. ___72. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Education Matters

SEC. ___81. SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing ''Gun-Free'' with ''Safe'', and ''1994'' with ''1999''.

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after ''determined'' the following: ''to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or''.

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing ''Definition'' with ''Definitions'' in the catchline, by replacing ''section'' in the matter under the catchline with ''part'', by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

''(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

''(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)', before the period.

''(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

''(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

''(ii) that is possessed with an intent to distribute.''.

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting ''illegal drugs or'' before ''weapons''.

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing ''served by'' with ''under the jurisdiction of'', and by inserting

after ''who'' the following: ''is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who''.

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting ''current'' before ''policy'', by striking ''in effect on October 20, 1994'', by striking all the matter after ''schools'' and inserting a period thereafter, and by inserting before ''engaging'' the following: ''possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or''.

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of the enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this section.

(3) Not later than 2 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC. ___82. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

''SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

''(a) IN GENERAL.—Notwithstanding any other provision of law, if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school, in the same State as the school where the criminal offense occurred, that is selected by the student's parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

''(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

''(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

''(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

''(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

''(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

''(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

''(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

''(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

''(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

''(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

''(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis race, color, or national origin.

''(h) ASSISTANCE; TAXES AND OTHER FEDERAL PROGRAMS.—

''(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

''(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

''(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.''.

SEC. ___83. TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school.

(b) DEFINITIONS.—For the purpose of subsection (a), the terms ''elementary school'', ''secondary school'', ''local educational agency'', and ''State educational agency'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

Subtitle E—Miscellaneous

SEC. ___91. NOTICE; CLARIFICATION.

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: ''With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute.''.

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95–78 (91 Stat. 320) is amended by adding at the end the following:

''Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs.''.

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. ___92. DOMESTIC TERRORISM ASSESSMENT AND RECOVERY.

(a) IN GENERAL.—The Federal Bureau of Investigation shall prepare a study assessing—

(1) the threat posed by the Fuerzas Armadas de Liberacion Nacional Puertorriquena (FALN) and Los Macheteros terrorist organizations to the United States and its territories as of July 31, 1999; and

(2) what effect the President's offer of clemency to 16 FALN and Los Macheteros members on August 11, 1999, and the subsequent release of 11 of those members, will have on the threat posed by those terrorist organizations to the United States and its territories.

(b) ISSUES EXAMINED.—In conducting and preparing the study under subsection (a), the Federal Bureau of Investigation shall address—

(1) the threat posed by the FALN and Los Macheteros organizations to law enforcement officers, prosecutors, defense attorneys, witnesses, and judges involved in the prosecution of members of the FALN and Los Macheteros, both in the United States and its territories;

(2) the roles played by each the 16 members offered clemency by the President on August 11, 1999, in the FALN and Los Macheteros organizations;

(3) the extent to which the FALN and Los Macheteros organizations are associated with other known terrorist organizations or countries suspected of sponsoring terrorism;

(4) the threat posed to the national security interests of the United States by the FALN and Los Macheteros organizations;

(5) whether the offer of clemency to, or release of, any of the 16 FALN or Los Macheteros members would violate, or be inconsistent with, the United States' obligations under international treaties and agreements governing terrorist activity; and

(6) the effect on law enforcement's ability to solve open cases and apprehend fugitives resulting from the offer of clemency to the 16 FALN and Los Macheteros members, without first requiring each of them to provide the government all truthful information and evidence he or she has concerning open investigations and fugitives associated with

the FALN and Los Macheteros organizations.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Federal Bureau of Investigation shall submit to Congress a report on the study conducted under subsection (a).

SEC. ___93. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug messages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

SEC. ___94. SEVERABILITY.

Any provision of this title held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed as to give the maximum effect permitted by law, unless such provision is held to be utterly invalid or unenforceable, in which event such provision shall be severed from this title and shall not affect the applicability of the remainder of this title, or of such provision, to other persons not similarly situated or to other, dissimilar circumstances.

SEC. . SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing ''Gun-Free'' with ''Safe'', and ''1994'' with ''1999''.

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after ''determined'' the following: ''to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or''.

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing ''Definition'' with ''Definitions'' in the catchline, by replacing ''section'' in the matter under the catchline with ''part'', by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

''(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

''(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)'. before the period.

''(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

''(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

''(ii) that is possessed with an intent to distribute.''.

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting ''illegal drugs or'' before ''weapons''.

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing ''served by'' with ''under the jurisdiction of'', and by inserting after ''who'' the following: ''is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who''.

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting ''current'' before ''policy'', by striking ''in effect on October 20, 1994'', by striking all the matter after ''schools'' and inserting a period thereafter, and by inserting before ''engaging'' the following: ''possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or''.

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this part.

(3) Not later than 2 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

SEC STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

(a) IN GENERAL.—Subpart 1 of part A of title I of the Elementary and Secondary Education of 1965 (20 U.S.C. 6311 et seq.) is amended by inserting after section 1115A of such Act (20 U.S.C. 6316) the following:

''SEC. 1115B. STUDENT SAFETY AND FAMILY SCHOOL CHOICE.

''(A) IN GENERAL.—Notwithstanding any other provision of law. if a student is eligible to be served under section 1115(b), or attends a school eligible for a schoolwide program under section 1114, and becomes a victim of a violent criminal offense, including drug-related violence, while in or on the grounds of a public elementary school or secondary school that the student attends and that receives assistance under this part, then the local educational agency may use funds provided under this part or under any other Federal education program to pay the supplementary costs for such student to attend another school. The agency may use the funds to pay for the supplementary costs of such student to attend any other public or private elementary school or secondary school, including a religious school. In the same State as the school where the criminal offense occurred, that is selected by the students parent. The State educational agency shall determine what actions constitute a violent criminal offense for purposes of this section.

(b) SUPPLEMENTARY COSTS.—The supplementary costs referred to in subsection (a) shall not exceed—

''(1) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that also serves the school where the violent criminal offense occurred, the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student;

''(2) in the case of a student for whom funds under this section are used to enable the student to attend a public elementary school or secondary school served by a local educational agency that does not serve the school where the violent criminal offense occurred but is located in the same State—

''(A) the costs of supplementary educational services and activities described in section 1114(b) or 1115(c) that are provided to the student; and

''(B) the reasonable costs of transportation for the student to attend the school selected by the student's parent; and

''(3) in the case of a student for whom funds under this section are used to enable the student to attend a private elementary school or secondary school, including a religious school, the costs of tuition, required fees, and the reasonable costs of such transportation.

''(c) CONSTRUCTION.—Nothing in this Act or any other Federal law shall be construed to prevent a parent assisted under this section from selecting the public or private, including religious, elementary school or secondary school that a child of the parent will attend within the State.

''(d) CONSIDERATION OF ASSISTANCE.—Subject to subsection (h), assistance made available under this section that is used to pay the costs for a student to attend a private or religious school shall not be considered to be Federal aid to the school, and the Federal Government shall have no authority to influence or regulate the operations of a private or religious school as a result of assistance received under this section.

''(e) CONTINUING ELIGIBILITY.—A student assisted under this section shall remain eligible to continue receiving assistance under this section for at least 3 academic years without regard to whether the student is eligible for assistance under section 1114 or 1115(b).

''(f) TUITION CHARGES.—Assistance under this section may not be used to pay tuition or required fees at a private elementary school or secondary school in an amount that is greater than the tuition and required fees paid by students not assisted under this section at such school.

''(g) SPECIAL RULE.—Any school receiving assistance provided under this section shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and not discriminate on the basis of race, color, or national origin.

''(h) ASSISTANCE: TAXES AND OTHER FEDERAL PROGRAMS.—

''(1) ASSISTANCE TO FAMILIES, NOT SCHOOLS.—Assistance provided under this section shall be considered to be aid to families, not schools. Use of such assistance at a school shall not be construed to be Federal financial aid or assistance to that school.

''(2) TAXES AND DETERMINATIONS OF ELIGIBILITY FOR OTHER FEDERAL PROGRAMS.—Assistance provided under this section to a student shall not be considered to be income of the student or the parent of such student for Federal, State, or local tax purposes or for determining eligibility for any other Federal program.

''(i) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(j) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of assistance provided under this part for a student shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency that serves the school where the criminal offense occurred for the fiscal year preceding the fiscal year for which the determination is made.''.

SEC. . TRANSFER OF REVENUES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal law, a State, a State educational agency, or a local educational agency may transfer any non-Federal public funds associated with the education of a student who is a victim of a violent criminal offense while in or on the grounds of a public elementary school or secondary school served by a local educational agency to another local educational agency or to a private elementary school or secondary school, including a religious school

(b) DEFINITIONS.—For the purpose of subsection (a), the terms ''elementary school'', ''secondary school'', ''local educational agency'', and ''State educational agency'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. . INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''one year'' and inserting ''5 years.''

SEC. . INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (b), by striking ''three years'' each place that term appears and inserting ''5 years''.

LEVIN AMENDMENT NO. 2772

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 625, supra; as follows:

At the appropriate place, insert the following:

The Federal Trade Commission shall report to the Banking Committee of Congress within 6 months of enactment of this act as to whether and how the location of the resident of an applicant for a credit card is considered by financial institutions in deciding whether an applicant should be granted such credit card.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Friday, November 5, 1999, to conduct a hearing on pending nominations.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11 a.m. and 1 p.m. to hold two hearings.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, November 5, 1999, at 11:30 a.m. to hold a closed hearing on intelligence matters.

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

ADDITIONAL STATEMENTS

RECOGNITION OF DAVID POFFENBERGER, STUDENT AT PUYALLUP HIGH SCHOOL

• Mr. GORTON. Mr. President, during the past several weeks, a community in my state has come together to combat racism in their schools. One person, a student at Puyallup High School, has taken this problem head on and devised a way to bring his fellow students together in their fight against racism.

This student, David Poffenberger, an 18-year-old senior, designed a t-shirt that will be distributed to all of his 1,900 classmates in order to demonstrate Puyallup High School's united front against racism.

In one of his art classes, David created a design for the shirt—two silhouetted groups, one black and one white, united by a single handshake. David completed the shirt by adding the phrase, ''Bridge the Gap.'' With the encouragement from one of his art teachers, Candace Loring, David took a week off from swimming practice and visited with local community groups to turn his plan into reality.

The high school Booster Club, alumni association, the Puyallup Elks, and the Good Samaritan Hospital all contributed to his effort, raising over half of the $5,128 needed to print and distribute the shirts. The Booster Club has also agreed to cover the remaining amount in addition to their own $1,000 contribution.

David's principal, Wanda Berndston, credits him for single-handedly spearheading this effort to improve awareness throughout the school. In the midst of an unfortunate situation, it is often the individuals who are closest to the problem who can best offer solutions.

I commend David for his determination to make his school a better place for all students and am proud to present him with one of my ''Innovation in Education'' Awards.•

EXTENDED CARE SERVICES FOR VETERANS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 2116, and the Senate then proceed to its immediate consideration.

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

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2116) to amend title 38, United States Code, to establish a program of extended care services for veterans and make other improvements in health care programs in the Department of Veterans Affairs.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2541

(Purpose: To provide a substitute)

Mr. DOMENICI. Senator SPECTER has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. SPECTER, proposes an amendment numbered 2541.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DOMENICI. I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

I further ask unanimous consent that the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

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

The amendment (No. 2541) was agreed to.

The bill (H.R. 2116), as amended, was read the third time and passed.

The title was amended so as to read: ''An Act To amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and for other purposes.''.

The PRESIDING OFFICER (Mr. GORTON) appointed Mr. SPECTER, Mr. THURMOND, and Mr. ROCKEFELLER conferees on the part of the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 208, H.R. 1654.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1654) to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2542

(Purpose: To authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes)

Mr. DOMENICI. Mr. President, Senator FRIST has a substitute amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. FRIST, proposes an amendment numbered 2542.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be considered read the third time, passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD. I further ask unanimous consent that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

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

The amendment (No. 2542) was agreed to.

The bill (H.R. 1654), as amended, was read the third time and passed.

The Presiding Officer (Mr. GORTON) appointed Mr. MCCAIN, Mr. STEVENS, Mr. FRIST, Mr. HOLLINGS, and Mr. BREAUX conferees on the part of the Senate.

AUTHORIZATION OF TESTIMONY AND DOCUMENT PRODUCTION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 221 submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 221) to authorize testimony and document production in the matter of Pamela A. Carter v. HealthSource Saginaw.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution would permit a member of Senator LEVIN's staff to testify and produce documents in an administrative hearing before the Michigan Department of Consumer and Industry Services concerning information she acquired while performing case work on the Senator's behalf.

Mr. DOMENICI. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 221) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 221

Whereas, in the case of *In the Matter of Pamela A. Carter* v. *HealthSource Saginaw*, No. 1199–3828, pending in the Michigan Department of Consumer and Industry Services, testimony has been requested from Mary Washington, an employee in Senator Carl Levin's Saginaw, Michigan office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate. Now, therefore, be it

Resolved, That Mary Washington, and any other employee of the Senate from whom testimony or document production may be required, is authorized to testify and produce documents in the case of *In the Matter of Pamela A. Carter* v. *HealthSource Saginaw*, except concerning matters for which a privilege should be asserted.

SENATE ETHICS PROCEDURE REFORM RESOLUTION OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 222, submitted earlier by Senator SMITH of New Hampshire and Senator REID.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 222) to revise the procedures of the Select Committee on Ethics.

There being no objection, the Senate proceeded to consider the resolution.

Mr. SMITH of New Hampshire. Mr. President, on behalf of Vice Chairman REID and other members of the Ethics Committee, I submit for publication in the CONGRESSIONAL RECORD in accordance with Senate Rule XXVI the Ethics Committee's Supplementary Procedural Rules, as amended November 5, 1999, the date of the Senate's adoption of the Senate Ethics Procedure Reform Resolution of 1999. These amended Rules of Procedure will implement the Ethics Committee process changes effectuated by the Reform Resolution, which was designed to simplify, streamline, and improve the Ethics Committee process as recommended by the Senate Ethics Study Commission in its Report (S. Prt. 103–71) to the Senate Leadership ''Recommending Revisions to the Procedures of the Senate Select Committee on Ethics.'' Pursuant to Senate Rule XXVI, these amended Supplementary Procedural Rules will be effective as of the date of publication in the CONGRESSIONAL RECORD.

I ask unanimous consent to have these amended rules printed in the RECORD.

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

PART II: SUPPLEMENTARY PROCEDURAL RULES

RULE 1. GENERAL PROCEDURES

(a) Officers: In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business, involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the majority Party and one member of the quorum is a Member of the Minority Party. During the transaction of routine business any member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) Except for an adjudicatory review hearing under Rule 5 and any deposition taken outside the presence of a Member under Rule 6, one Member shall constitute a quorum for hearing testimony, provided that all Members have been given notice of the hearing and the Chairman has designated a Member of the majority Party and the Vice Chairman has designated a Member of the Minority Party to be in attendance, either of whom in

the absence of the other may constitute the quorum.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. if the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5 (b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specific period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness if he so requests. (See rule 5 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a complaint or allegation shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 8 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Reports to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the view, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 8 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) A preliminary inquiry or adjudicatory review relating to (i) the conduct of (I) such member; (II) any officer or employee the member supervises; or (ii) any complaint filed by the member; and

(B) the determinations and recommendations of the Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member of the Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Committee and the determinations and recommendations of the Committee with respect to any such preliminary inquiry or adjudicatory review.

(4) Whenever any member of the Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review, or disqualifies himself or herself under paragraph (3) from participating in any preliminary inquiry or adjudicatory review, another Senator shall be appointed by the Senate to serve as a member of the Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Committee with respect to such preliminary inquiry or adjudicatory review. Any member of the Senate appointed for such purposes shall be of the same party as the member who is ineligible or disqualifies himself or herself.

(5) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from any preliminary inquiry, adjudicatory review, or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(4).

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of a preliminary inquiry or an adjudicatory review, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter or which the vote occurs and has affirmatively requested the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice chairman to be recorded.

(4) Proxies shall not be considered for the purposes of establishing a quorum.

(n) Approval of Blind Trusts Between Sessions and During Extended Recesses. During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly are authorized to approve or disapprove blind trusts under the provisions of Rule XXXIV.

(o) Committee Use of Services or Employees of Other Agencies and Departments: With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR COMPLAINTS, ALLEGATIONS, OR INFORMATION

(a) Compliant, Allegation, or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, a sworn compliant other allegation or information, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, Officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate. Such complaints or allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Source of Compliant, Allegation, or Information: Complaints, allegations, and information to be reported to the Committee may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints, defined as written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as members, officers, or employees of the Senate;

(2) anonymous or informal complaints;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Form and Content of Complaints: A complaint need not be sworn nor must it be in any particular form to receive Committee consideration, but the preferred complaint will:

(1) state, whenever possible, the name, address, and telephone number of the party filing the complaint;

(2) provide the name of each member, officer or employee of the Senate who is specifically alleged to have engaged in improper conduct or committed a violation;

(3) state the nature of the alleged improper conduct or violation;

(4) supply all documents in the possession of the party filing the complaint relevant to or in support of his or her allegations as an attachment to the complaint.

RULE 3: PROCEDURES FOR CONDUCTING A PRELIMINARY INQUIRY

(a) Definition of Preliminary Inquiry: A ''preliminary inquiry'' is a proceeding undertaken by the Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(b) Basis For Preliminary Inquiry: The Committee shall promptly commence a preliminary inquiry whenever it has received a sworn complaint, or other allegation of, or information about, alleged misconduct or violations pursuant to Rule 2.

(c) Scope of Preliminary Inquiry:

(1) The preliminary inquiry shall be of such duration and scope as is necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Chairman and Vice Chairman, acting jointly, on behalf of the Committee may supervise and determine the appropriate duration, scope, and conduct of a preliminary inquiry. Whether a preliminary inquiry is conducted jointly by the Chairman and Vice Chairman or by the Committee as a whole, the day to day supervision of a preliminary inquiry rests with the Chairman and Vice Chairman, acting jointly.

(2) A preliminary inquiry may include any inquiries, interviews, sworn statements, depositions, or subpoenas deemed appropriate to obtain information upon which to make any determination provided for by this Rule.

(d) Opportunity for Response: A preliminary inquiry may include an opportunity for any known respondent or his or her designated representative to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(e) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(f) Final Report: When the preliminary inquiry is completed, the staff or outside counsel shall make a confidential report, oral or written, to the Committee on findings and recommendations, as appropriate.

(g) Committee Action: As soon as practicable following submission of the report on the preliminary inquiry, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence and, in such case, the Committee shall dismiss the matter. The Committee, or Chairman and Vice Chairman acting jointly on behalf of the Committee, may dismiss any matter which, after a preliminary inquiry, is determined to lack substantial merit. The Committee shall inform the complainant of the dismissal.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In such case, the Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline and which shall not be subject to appeal to the Senate. The issuance of a letter of admonition must be approved by the affirmative recorded vote of no fewer than four members of the Committee voting.

(3) The Committee may determine that there is such substantial credible evidence and that the matter cannot be appropriately disposed of under paragraph (2). In such case, the Committee shall promptly initiate an adjudicatory review in accordance with Rule 4. No adjudicatory review of conduct of a Member, officer, or employee of the Senate may be initiated except by the affirmative recorded vote of not less than four members of the Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN ADJUDICATORY REVIEW

(a) Definition of Adjudicatory Review: An ''adjudicatory review'' is a proceeding undertaken by the Committee after a finding, on the basis of a preliminary inquiry, that there is substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(b) Scope of Adjudicatory Review: When the Committee decides to conduct an adjudicatory review, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. An adjudicatory review shall be conducted by outside counsel as authorized by section 3(b)(1) of Senate Resolution 338 unless the Committee determines not to use outside counsel. In the course of the adjudicatory review, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct any inquiries or interviews, take sworn statements, use compulsory process as described in Rule 6, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make a determination.

(c) Notice to Respondent: The Committee shall give written notice to any known respondent who is the subject of an adjudicatory review. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an adjudicatory review. The notice shall include a statement of the nature of the possible violation, and description of the evidence indicating that a possible violation occurred. The Committee may offer the respondent an opportunity to present a statement, orally or in writing, or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate or before it imposes an order of restitution or reprimand (not requiring discipline by the full Senate).

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the adjudicatory review. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Final Report of Adjudicatory Review to Committee: Upon completion of an adjudicatory review, including any hearings held pursuant to Rule 5, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the adjudicatory review and which may recommend disciplinary action, if appropriate. Findings of fact of the adjudicatory review shall be detailed in this report whether or not disciplinary action is recommended.

(g) Committee Action:

(1) As soon as practicable following submission of the report of the staff or outside counsel on the adjudicatory review, the Committee shall prepare and submit a report to the Senate, including a recommendation or proposed resolution to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No adjudicatory review of conduct of a Member, officer or employee of the Senate may be conducted, or report or resolution or recommendation relating to such an adjudicatory review of conduct may be made, except by the affirmative recorded vote of not less than four members of the Committee.

(2) Pursuant to S. Res. 338, as amended, section 2(a), subsections (2), (3), and (4), after receipt of the report prescribed by paragraph (f) of this rule, the Committee may make any of the following recommendations for disciplinary action or issue an order for reprimand or restitution, as follows:

i. In the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these;

ii. In the case of an officer or employee, a recommendation to the Senate of dismissal, suspension, payment of restitution, or a combination of these;

iii. In the case where the Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate, and subject to the provisions of paragraph (h) of this rule relating to appeal, by a unanimous vote of six members

order that a Member, officer or employee be reprimanded or pay restitution or both;

iv. In the case where the Committee determines that misconduct is inadvertent, technical, or otherwise of a de minimis nature, issue a public or private letter of admonition to a Member, officer or employee, which shall not be subject to appeal to the Senate.

(3) In the case where the Committee determines, upon consideration of all the evidence, that the facts do not warrant a finding that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the Committee may dismiss the matter.

(4) Promptly, after the conclusion of the adjudicatory review, the Committee's report and recommendation, if any, shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation, if any, shall be printed and made public, unless the Committee determines by the recorded vote of not less than four members of the Committee that it should remain confidential.

(h) Right of Appeal:

(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (g)(2)(iii), may, within 30 days of the Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the appeal to the Committee and the presiding officer of the Senate. The presiding officer shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

(2) S. Res. 338 provides that a motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.

RULE 5: PROCEDURES FOR HEARINGS

(a) Right to Hearing: The Committee may hold a public or executive hearing in any preliminary inquiry, adjudicatory review, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate or before it imposes on order of restitution or reprimand. (See Rule 4(d)).

(b) Non-Public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by the recorded vote of not less than four members of the Committee, designate any public or executive hearing as an adjudicatory hearing; and any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 6.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by recorded vote of not less than four members of the Committee, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness's scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) Right To Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff number or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) Request to appear personally before the Committee to testify in his or her own behalf; or

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained. Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearing Procedures:

(1) Notice of hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for adjudicatory hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divisions, (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchange under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to cross-examine and call witnesses:

(A) In adjudicatory hearings, any respondent and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness's scheduled appearance, a witness or a witness's counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness's counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a recorded vote of not less than four members of the Committee before the recess of that day's hearings.

(C) Notwithstanding paragraphs (A) and (B), in any matter before the Committee involving allegations of sexual discrimination,

including sexual harassment, or sexual misconduct, by a Member, officer, or employee, within the jurisdiction of the Committee, the Committee shall be guided by the standards and procedures of Rule 412 of the Federal Rules of Evidence, except that the Committee may admit evidence subject to the provisions of this paragraph only upon a determination of not less than four members of the full Committee that the interests of justice require that such evidence be admitted.

(7) Supplementary hearing procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony as given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member of witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The committee shall furnish each witness, at no cost, one transcript copy of that witness's testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 6: SUBPOENAS AND DEPOSITIONS

(a) Subpoenas:

(1) Authorization for issuance: Subpoenas for the attendance and testimony of witnesses at depositions or hearings, and subpoenas for the production of documents and tangible things at depositions, hearings, or other times and places designated therein, may be authorized for issuance by either (A) a majority vote of the Committee, or (B) the Chairman and Vice Chairman, acting jointly, at any time during a preliminary inquiry, adjudicatory review, or other proceeding.

(2) Signature and service: All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the committee and a brief statement of the purpose of the Committee's proceeding.

(3) Withdrawal of subpoena: The Committee, by recorded vote of not less than four members of the Committee, may withdraw any subpoena authorized for issuance by it or authorized for issuance by the Chairman and Vice Chairman, acting jointly. The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena authorized for issuance by them.

(b) Depositions:

(1) Persons authorized to take depositions: Depositions may be taken by any member of the Committee designated by the Chairman and Vice Chairman, acting jointly, or by any other person designated by the Chairman and Vice Chairman, acting jointly, including outside counsel, Committee staff, other employees of the Senate, or government employees detailed to the Committee.

(2) Deposition notices: Notices for the taking of depositions shall be authorized by the Committee, or the Chairman and Vice Chairman, acting jointly, and issued by the Chairman and Vice Chairman, or a Committee staff member or outside counsel designated by the Chairman and Vice Chairman, acting jointly. Depositions may be taken at any time during a preliminary inquiry, adjudicatory review or other proceeding. Deposition notices shall specify a time and place for examination. Unless otherwise specified, the deposition shall be in private, and the testimony taken and documents produced shall be deemed for the purpose of these rules to have been received in a closed or executive session of the Committee. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness's failure to appear, or to testify, or to produce documents, unless the deposition notice was accompanied by a subpoena authorized for issuance by the Committee, or the Chairman and Vice Chairman, acting jointly.

(3) Counsel at depositions: Witnesses may be accompanied at a deposition by counsel to advise them of their rights.

(4) Deposition procedure: Witnesses at depositions shall be examined upon oath administered by an individual authorized by law to administer oaths, or administered by any member of the Committee if one is present. Questions may be propounded by any person or persons who are authorized to take depositions for the Committee. If a witness objects to a question and refuses to testify, or refuses to produce a document, any member of the Committee who is present may rule on the objection and, if the objection is overruled, direct the witness to answer the question or produce the document. If no member of the Committee is present, the individual who has been designated by the Chairman and Vice Chairman, acting jointly, to take the deposition may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the Chairman or Vice Chairman of the Committee, who may refer the matter to the Committee or rule on the objection. If the Chairman or Vice Chairman, or the Committee upon referral, overrules the objection, the Chairman, Vice Chairman, or the Committee as the case may be, may direct the witness to answer the question or produce the document. The Committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify or produce documents after having been directed to do so.

(5) Filing of depositions: Deposition testimony shall be transcribed or electronically recorded. If the deposition is transcribed, the individual administering the oath shall certify on the transcript that the witness was fully sworn in his or her presence and the transcriber shall certify that the transcript is a true record of the testimony. The transcript with these certifications shall be filed with the chief clerk of the Committee, and the witness shall be furnished with access to a copy at the Committee's offices for review. Upon inspecting the transcript, within a time limit set by the Chairman and Vice Chairman, acting jointly, a witness may request in writing changes in the transcript to correct errors in transcription. The witness may also bring to the attention of the Committee errors of fact in the witness's testimony by submitting a sworn statement about those facts with a request that it be attached to the transcript. The Chairman and Vice Chairman, acting jointly, may rule on the witness's request, and the changes or attachments allowed shall be certified by the Committee's chief clerk. If the witness fails to make any request under this paragraph within the time limit set, this fact shall be noted by the Committee's chief clerk. Any person authorized by the Committee may stipulate with the witness to changes in this procedure.

RULE 7: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; EDUCATIONAL MANDATE; AND APPLICABLE RULES AND STANDARDS OF CONDUCT

(a) Violations of Law: Whenever the Committee determines by the recorded vote of not less than four members of the full Committee that there is reason to believe that a violation of law, including the provision of false information to the Committee, may have occurred, it shall report such possible violation to the proper Federal and state authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty or perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such preliminary inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in a preliminary inquiry, adjudicatory review, or other proceeding.

(d) Educational Mandate; The Committee shall develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.

(e) Applicable Rules and Standards of Conduct:

(1) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may initiate an adjudicatory review of any alleged violation of a

rule or law which was in effect prior to enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved in the merits by the predecessor Committee.

RULE 8: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusations of such conduct; to any resulting preliminary inquiry, adjudicatory review or other proceeding by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to the information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedure for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive documents and materials shall be stored in the Committee's offices, with appropriate safeguards for maintaining the security of such documents or materials. Classified documents and materials shall be further segregated in the Committee's offices in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be hand delivered by a member of the Committee staff to the member of the Committee, or to a staff person(s) specifically designated by the member, for the Member's or designated staffer's examination. A member of the Committee who has possession of Committee Sensitive documents or materials shall take appropriate safeguards for maintaining the security of such documents or materials in the possession of the Member or his or her designated staffer.

(3) Committee Sensitive documents that are provided to a Member of the Senate in connection with a complaint that has been filed against the Member shall be hand delivered to the Member or to the Member's Chief of Staff or Administrative Assistant. Committee Sensitive documents that are provided to a Member of the Senate who is the subject of a preliminary inquiry, adjudicatory review, or other proceeding, shall be hand delivered to the Member or to his or her specifically designated representative.

(4) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(5) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-Disclosure Policy and Agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 9: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole of in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by recorded vote of not less than four members of the Committee that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 10: PROCEDURES FOR ADVISORY OPINIONS

(a) When Advisory Opinions Are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion.

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the CONGRESSIONAL RECORD after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advsory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity which respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 11: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretive ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Ruling: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) Reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 12: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) Authority To Receive Complaints: The Committee is directed by section 6(b) of Public Law 93–191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing, pursuant to the franking statute, if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an adjudicatory review, must be summarized, together with the disposition, in a report to the Senate, as appropriate.

(3) If a complaint is disposed of by restitution, the complainant, if any, shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 10 and 11.

RULE 13: PROCEDURES FOR WAIVERS

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended (Rule XXXIV), relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended (Rule XXXIV), relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 12 of rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote with a majority of those voting affirming the decision. With respect to an individual's request for a waiver in connection with the acceptance or reporting the value of gifts on the occasion of the individual's marriage, the Chairman and the Vice Chairman, acting jointly, may rule on the waiver.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicity available request as required by the Act.

RULE 14: DEFINITION OF ''OFFICER OR EMPLOYEE''

(a) As used in the applicable resolutions and in these rules and procedures, the term ''officer or employee of the Senate'' means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

RULE 15: COMMITTEE STAFF

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without

specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee Sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including staff recommended by a special counsel, for the purpose of a particular preliminary inquiry, adjudicatory review, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, preliminary inquiry, adjudicatory review, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any adjudicatory review undertaken after a preliminary inquiry, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as a Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons To Testify: Each member of the Committee staff or outside counsel shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 16: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended, or suspended at any time, pursuant to a recorded vote of not less than four members of the full Committee taken at a meeting called with due notice when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of this Committee shall be published in the Congressional Record in accordance with Rule XXVI(2) of the Standing Rules of the Senate.

Mr. SMITH of New Hampshire. Mr. President, on behalf of Vice Chairman REID and other Members of the Ethics Committee, I am pleased to submit the ''Senate Ethics Procedure Reform Resolution of 1999'' for Senate consideration. This Resolution will implement key recommendations of the Senate Ethics Study Commission of 1993, a body which included among its members both the current distinguished Majority Leader and the distinguished Minority Leader.

Mr. REID. Mr. President, I am proud to join with Chairman SMITH and other Members of the Ethics Committee to bring this Reform Resolution to the floor for consideration. And I would like to take this opportunity to thank the Chairman for his leadership in working to implement these much needed changes in the Ethics Committee process.

Mr. SMITH of New Hampshire. I appreciate the Vice Chairman's comments and, more importantly, acknowledge his assistance and support in bringing these Reform measures before the Senate. This Resolution is the product of a mutual and supportive effort on both sides of the aisle to improve the Ethics Committee's procedures.

Let us briefly describe the changes included in this Reform. First, as Members may recall, the 1993 Study Commission was charged with studying the Ethics Committee's procedures and recommending needed changes. Such a Commission arose, a large part, out of the universal observation by those who had participated in Ethics Committee proceedings that: (1) the procedures were unnecessarily confusing and complex; and (2) that this created the potential for unfairness to those affected and contributed to a lack of confidence by those observing the process. In its hearings, the 1993 Study Commission heard from three distinguished former chairs of the Ethics Committee, attorneys who have practiced before and with the Ethics Committee, and experts on ethics issues and procedures from academia and public organizations with interests in legislative ethics. The resulting Commission Report, issued in 1994, recommended several changes designed to enhance public confidence in the Senate's ability to fulfill its constitutional duty of self-discipline.

The Reform Resolution now before the Senate includes those Commission recommendations specifically designed to simplify and streamline the Senate Ethics process. These reforms are intended to expedite the handling of ethics complaints in a way which should make the process fairer and more understandable. By eliminating the current unnecessary, multi-stage process for fact gathering, and using a single phase ''preliminary inquiry'' for that purpose, the process will make a lot more sense, and should save some time. If, after the facts are in, there is substantial evidence with causes the Ethics Committee to conclude that a violation may have occurred, then changes would be issued, and an ''adjudicative review'' of the evidence would ensue. This simplified process will be the same, whether the complaint is sworn or unsworn, and there will continue to be no procedural formalities surrounding the filing of a complaint with the Committee.

Mr. REID. The Reform Resolution also proposes a uniform set of possible sanctions for violations. The reforms would continue the Ethics Committee's current authority to dismiss a complaint because there is no violation, or find that any violation is inadvertent or otherwise de minimis and resolve it informally, after the Committee has gathered the facts. Both the current and the reformed process contemplate a letter of disapproval to resolve situations where a violation is de minimis and does not deserve formal discipline. Although the use of such letters is not explicit under current rules, such letters have historically been used by the Committee to resolve complaints, and the reformed process would expressly provide for public or private ''Letters of Admonition'' for this purpose. Such letters have not been and would not be considered discipline.

As to discipline by the Committee, the current process permits the Committee to resolve a case, with the Committee does not believe deserves sanction by the full Senate, by suggesting a remedy such as a reprimand, but only with consent of the respondent. The usefulness of this method of resolution is limited by the requirement of consent. The reformed process would authorize the Committee to resolve an appropriate case with a reprimand without consent, and/or financial restitution, but only after an opportunity for hearing and only with a right of appeal of the full Senate. In this fashion, cases which the Committee does not believe deserve discipline by the full Senate could be resolved, and the individual's right to defend his or her conduct before the full Senate would be preserved.

Mr. SMITH of New Hampshire. Beyond reprimand, and reserved for only the most serious cases, both the current and the reformed process contemplate that the Committee may make recommendations to the full Senate for Senate discipline. Under the current process, with respect to Members, the Committee has recommended or the full Senate has considered, either alone or in combination: financial restitution, disgorgement of funds, referral to a party conference for attention (regarding seniority or positions of responsibility), denouncement, censure, condemnation, and expulsion. The current system's use of a variety of terms, each of which has been considered by Senate historians to be censure, has resulted in some confusion about the Senate's intent in disciplining its Members. The proposed process would provide the Committee with a uniform set of recommendations for use either alone or in combination: financial restitution, referral to a party conference for attention (regarding seniority or positions of responsibility), censure, and expulsion. Absent

extraordinary circumstances, the intent would be to use uniform terminology in recommending discipline to the Senate, although the Committee would retain needed flexibility in this regard. The proposal would also add financial restitution to the possible recommendations respecting a Senate officer or employee; suspension and dismissal are currently included.

Finally, Mr. President the Reform Resolution would amend the Ethics Committee's enabling resolution to expressly provide for the Committee's educational function.

Mr. DOMENICI. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

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

The resolution (S. Res. 222) was agreed to, as follows:

S. RES. 222

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the ''Senate Ethics Procedure Reform Resolution of 1999''.

SEC. 2. ESTABLISHMENT AND MEMBERSHIP OF THE SELECT COMMITTEE.

The first section of Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session)(referred to as the ''resolution'') is amended—

(1) in subsection (c), by amending paragraph (1) to read as follows:

''(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints or allegations of, or information about, misconduct, including resulting preliminary inquiries, adjudicatory reviews, recommendations or reports, and matters relating to Senate Resolution 400, agreed to May 19, 1976.'';

(2) in subsection (d), by amending paragraph (1) to read as follows:

''(1) A member of the Select Committee shall be ineligible to participate in—

''(A) any preliminary inquiry or adjudicatory review relating to—

''(i) the conduct of—

''(I) such member;

''(II) any officer or employee the member supervises; or

''(III) any employee of any officer the member supervises; or

''(ii) any complaint filed by the member; and

''(B) the determinations and recommendations of the Select Committee with respect to any preliminary inquiry or adjudicatory review described in subparagraph (A).

For purposes of this paragraph, a member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.'';

(3) in subsection (d)(2), by amending the first sentence to read as follows: ''A member of the Select Committee may, at the discretion of the member, disqualify himself or herself from participating in any preliminary inquiry or adjudicatory review pending before the Select Committee and the determinations and recommendations of the Select Committee with respect to any such preliminary inquiry or adjudicatory review.''; and

(4) in subsection (d), by amending paragraph (3) to read as follows:

''(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any preliminary inquiry or adjudicatory review or disqualifies himself or herself under paragraph (2) from participating in any preliminary inquiry or adjudicatory review, another Senator shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such preliminary inquiry or adjudicatory review and the determinations and recommendations of the Select Committee with respect to such preliminary inquiry or adjudicatory review. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself or herself.''.

SEC. 3. DUTIES OF THE SELECT COMMITTEE.

Section 2 of the resolution is amended—

(1) in subsection (a), by striking paragraphs (2), (3), and (4) and inserting the following:

''(2)(A) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action to be taken with respect to such violations which the Select Committee shall determine, after according to the individual concerned due notice and opportunity for a hearing, to have occurred;

''(B) pursuant to subparagraph (A) recommend discipline, including—

''(i) in the case of a Member, a recommendation to the Senate for expulsion, censure, payment of restitution, recommendation to a Member's party conference regarding the Member's seniority or positions of responsibility, or a combination of these; and

''(ii) in the case of an officer or employee, dismissal, suspension, payment of restitution, or a combination of these;

''(3) subject to the provisions of subsection (e), by a unanimous vote of 6 members, order that a Member, officer, or employee be reprimanded or pay restitution, or both, if the Select Committee determines, after according to the Member, officer, or employee due notice and opportunity for a hearing, that misconduct occurred warranting discipline less serious than discipline by the full Senate;

''(4) in the circumstances described in subsection (d)(3), issue a public or private letter of admonition to a Member, officer, or employee, which shall not be subject to appeal to the Senate;

''(5) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities;

''(6) by a majority vote of the full committee, report violations of any law, including the provision of false information to the Select Committee, to the proper Federal and State authorities; and

''(7) develop and implement programs and materials designed to educate Members, officers, and employees about the laws, rules, regulations, and standards of conduct applicable to such individuals in the performance of their duties.'';

(2) by amending subsection (b) to read as follows:

''(b) For the purposes of this resolution—

''(1) the term 'sworn complaint' means a written statement of facts, submitted under penalty of perjury, within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate;

''(2) the term 'preliminary inquiry' means a proceeding undertaken by the Select Committee following the receipt of a complaint or allegation of, or information about, misconduct by a Member, officer, or employee of the Senate to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred; and

''(3) the term 'adjudicatory review' means a proceeding undertaken by the Select Committee after a finding, on the basis of a preliminary inquiry, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.'';

(3) in subsection (c), by amending paragraph (1) to read as follows:

''(1) No—

''(A) adjudicatory review of conduct of a Member or officer of the Senate may be conducted;

''(B) report, resolution, or recommendation relating to such an adjudicatory review of conduct may be made; and

''(C) letter of admonition pursuant to subsection (d)(3) may be issued,

unless approved by the affirmative recorded vote of no fewer than 4 members of the Select Committee.'';

(4) by amending subsection (d) to read as follows:

''(d)(1) When the Select Committee receives a sworn complaint or other allegation or information about a Member, officer, or employee of the Senate, it shall promptly conduct a preliminary inquiry into matters raised by that complaint, allegation, or information. The preliminary inquiry shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred. The Select Committee may delegate to the chairman and vice chairman the discretion to determine the appropriate duration, scope, and conduct of a preliminary inquiry.

''(2) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall dismiss the matter. The Select Committee may delegate to the chairman and vice chairman the authority, on behalf of the Select Committee, to dismiss any matter that they determine, after a preliminary inquiry, lacks substantial merit. The Select Committee shall inform the individual who provided to the Select Committee the complaint, allegation, or information, and the individual who is the subject of the complaint, allegation, or information, of the dismissal, together with an explanation of the basis for the dismissal.

''(3) If, as a result of a preliminary inquiry under paragraph (1), the Select Committee determines that a violation is inadvertent, technical, or otherwise of a de minimis nature, the Select Committee may dispose of the matter by issuing a public or private letter of admonition, which shall not be considered discipline. The Select Committee may issue a public letter of admonition upon a similar determination at the conclusion of an adjudicatory review.

''(4) If, as the result of a preliminary inquiry under paragraph (1), the Select Committee determines that there is such substantial credible evidence and the matter

cannot be appropriately disposed of under paragraph (3), the Select Committee shall promptly initiate an adjudicatory review. Upon the conclusion of such adjudicatory review, the Select Committee shall report to the Senate, as soon as practicable, the results of such adjudicatory review, together with its recommendations (if any) pursuant to subsection (a)(2).'';

(5) by amending subsection (e) to read as follows:

''(e)(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (a)(3) may, within 30 days of the Select Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the basis for the appeal to the Select Committee and the presiding officer of the Senate. The presiding officer of the Senate shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

''(2) A motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Select Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.'';

(6) by amending subsection (g) to read as follows:

''(g) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.''; and

(7) by amending subsection (h) to read as follows:

''(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting preliminary inquiries and adjudicatory reviews.''.

SEC. 4. AUTHORITY OF THE SELECT COMMITTEE.

Section 3 of the resolution is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

''(2) Any adjudicatory review as defined in section 2(b)(3) shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel.''; and

(2) by amending subsection (d) to read as follows:

''(d)(1) Subpoenas may be authorized by—

''(A) the Select Committee; or

''(B) the chairman and vice chairman, acting jointly.

''(2) Any such subpoena shall be issued and signed by the chairman and the vice chairman and may be served by any person designated by the chairman and vice chairman.

''(3) The chairman or any member of the Select Committee may administer oaths to witnesses.''.

SEC. 5. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by this resolution shall take effect on the date this resolution is agreed to, except that the amendments shall not apply with respect to further proceedings in any preliminary inquiry, initial review, or investigation commenced before that date under Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session).

WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate proceed to consideration of Calendar No. 372, S. 791.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 791) to amend the Small Business Act with respect to the women's business center program.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Small Business to strike all after the enacting clause and insert in lieu thereof the following:

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. PRIVATE NONPROFIT ORGANIZATIONS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) the term 'private nonprofit organization' means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;''; and

(2) in subsection (b), by inserting ''nonprofit'' after ''private''.

SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW OF WOMEN'S BUSINESS CENTERS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) by striking subsection (h) and inserting the following:

''(h) PROGRAM EXAMINATION.—

''(1) IN GENERAL.—The Administration shall—

''(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

''(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

''(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and

''(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.

''(2) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to award a contract (as a sustainability grant) under subsection (l) or to renew a contract (either as a grant or cooperative agreement) under this section with a women's business center, the Administration—

''(A) shall consider the results of the most recent examination of the center under paragraph (1); and

''(B) may withhold such award or renewal, if the Administration determines that—

''(i) the center has failed to provide any information required to be provided under clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or

''(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate.''; and

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

''(j) MANAGEMENT REPORT.—

''(1) IN GENERAL.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.

''(2) CONTENTS.—Each report submitted under paragraph (1) shall include information concerning, with respect to each women's business center established pursuant to this section—

''(A) the number of individuals receiving assistance;

''(B) the number of startup business concerns formed;

''(C) the gross receipts of assisted concerns;

''(D) the employment increases or decreases of assisted concerns;

''(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and

''(F) the most recent analysis, as required under subsection (h)(1)(B), and the subsequent determination made by the Administration under that subsection.''.

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT 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) SUSTAINABILITY PILOT PROGRAM.—

''(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

''(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

''(B) that—

''(i) is in the final year of a 5-year project; or

''(ii) to the extent that amounts are available for such purpose under subsection (k)(4)(B), has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

''(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

''(A) a certification that the applicant—

''(i) is a private nonprofit organization;

''(ii) employs a full-time executive director or program manager to manage the center; and

''(iii) as a condition of receiving a sustainability grant, agrees—

''(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

''(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

''(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

''(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling, training, and workshops provided; and

''(iii) the number of startup business concerns formed;

''(D) information demonstrating the effective experience of the applicant in—

''(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

''(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

''(iii) using resource partners of the Administration and other entities, such as universities;

''(iv) complying with the cooperative agreement of the applicant; and

''(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

''(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

''(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

''(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(3) REVIEW OF APPLICATIONS.—

''(A) IN GENERAL.—The Administration shall—

''(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

''(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

''(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

''(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling and training provided and workshops conducted;

''(iii) the number of startup business concerns formed;

''(iv) any available gross receipts of assisted concerns; and

''(v) the number of jobs created, maintained, or lost at assisted concerns.

''(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

''(4) NON-FEDERAL CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind 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) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

''(A) $13,000,000 for fiscal year 2000;

''(B) $14,300,000 for fiscal year 2001;

''(C) $15,600,000 for fiscal year 2002; and

''(D) $17,000,000 for fiscal year 2003.'';

(2) in paragraph (2)—

(A) by striking ''Amounts made'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made''; and

(B) by adding at the end the following:

''(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

''(i) For fiscal year 2000, 2.5 percent.

''(ii) For fiscal year 2001, 2.3 percent.

''(iii) For fiscal year 2002, 2.3 percent.

''(iv) For fiscal year 2003, 1.9 percent.''; and

(3) by adding at the end the following:

''(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

''(i) For fiscal year 2000, 19.4 percent.

''(ii) For fiscal year 2001, 21.9 percent.

''(iii) For fiscal year 2002, 32 percent.

''(iv) For fiscal year 2003, 35 percent.

''(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B)(i), the unawarded amount—

''(i) shall first be made available for sustainability grant awards under subsection (l) to private nonprofit organizations described in subsection (l)(1)(B)(ii); and

''(ii) any remaining unawarded amount shall be made available to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).''.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

SEC. 5. SENSE OF THE SENATE REGARDING GOVERNMENT PROCUREMENT ACCESS FOR WOMEN-OWNED SMALL BUSINESSES.

(a) FINDINGS.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

(D) employment provided by women-owned small businesses in the United States increased by 183 percent; and

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

(i) 171 percent in construction;

(ii) 157 percent in wholesale trade;

(iii) 140 percent in transportation and communications;

(iv) 130 percent in agriculture; and

(v) 112 percent in manufacturing;

(3) approximately 8,000,000 women-owned small businesses in the United States provide jobs for 15,500,000 individuals and generate almost $1,400,000,000,000 in sales each year;

(4) the participation of women-owned small businesses in the United States in the procurement market of the Federal Government is limited;

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than $200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost $25,000 or less; and

(7) the rate of Federal procurement for women-owned small businesses is 2.2 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

(3) submit to Congress a report on the results of that audit, which report shall include—

(A) an analysis of any identified trends in Federal contracting with respect to women-owned small businesses;

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1999.

AMENDMENT NO. 2543

(Purpose: To make an amendment with respect to the funding formulas and the selection process)

Mr. DOMENICI. Mr. President, Senator KERRY and Senator BOND have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY and Mr. BOND, proposes an amendment numbered 2543.

Strike section 4 and insert the following:

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT 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) SUSTAINABILITY PILOT PROGRAM.—

''(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

''(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

''(B) that—

''(i) is in the final year of a 5-year project; or

''(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

''(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

''(A) a certification that the applicant—

''(i) is a private nonprofit organization;

''(ii) employs a full-time executive director or program manager to manage the center; and

''(iii) as a condition of receiving a sustainability grant, agrees—

''(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

''(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

''(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

''(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling, training, and workshops provided; and

''(iii) the number of startup business concerns formed;

''(D) information demonstrating the effective experience of the applicant in—

''(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

''(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

''(iii) using resource partners of the Administration and other entities, such as universities;

''(iv) complying with the cooperative agreement of the applicant; and

''(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

''(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

''(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

''(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(3) REVIEW OF APPLICATIONS.—

''(A) IN GENERAL.—The Administration shall—

''(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

''(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

''(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

''(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling and training provided and workshops conducted;

''(iii) the number of startup business concerns formed;

''(iv) any available gross receipts of assisted concerns; and

''(v) the number of jobs created, maintained, or lost at assisted concerns.

''(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

''(4) NON-FEDERAL CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind 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) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (*l*)—

''(A) $12,000,000 for fiscal year 2000;

''(B) $12,800,000 for fiscal year 2001;

''(C) $13,700,000 for fiscal year 2002; and

''(D) $14,500,000 for fiscal year 2003.'';

(2) in paragraph (2)—

(A) by striking ''Amounts made'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made''; and

(B) by adding at the end the following:

''(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

''(i) For fiscal year 2000, 2 percent.

''(ii) For fiscal year 2001, 1.9 percent.

''(iii) For fiscal year 2002, 1.9 percent.

''(iv) For fiscal year 2003, 1.6 percent.''; and

(3) by adding at the end the following:

''(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (*l*):

''(i) For fiscal year 2000, 17 percent.

''(ii) For fiscal year 2001, 18.8 percent.

''(iii) For fiscal year 2002, 30.2 percent.

''(iv) For fiscal year 2003, 30.2 percent.

''(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (*l*)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).''.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

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

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

Mr. BOND. Mr. President, I rise today in support of the Women's Business Centers Sustainability Act of 1999 (S. 791). This bill is the latest step by the Committee on Small Business to strengthen the Women's Business Center program at the Small Business Administration (SBA). Since this program first opened its doors in 1989, it has grown from an initial 12 centers to 81 centers operating in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. The bill I am bringing before the Senate today will increase the authorization level for the Women's business Centers program. Further, this bill establishes a four year pilot program that will, for the first time, allow centers that have completed a grant or that are in their last year of a grant under this program to apply for a second, five year grant.

S. 791 was approved by the Committee on Small Business by a 17–1 vote, and I am urging my colleagues to support this bill with an amendment that Senator KERRY and I are offering on the floor today. The amendment includes changes to the bill that have been agreed to by the House Committee on Small business. Once Senate action on this bill is complete, it is our hope the House of Representatives will be able to pass the bill before Congress adjourns, clearing the measure for the President's approval. The amendment adopts the authorization levels included in the House-passed version of this bill, and it places all centers on an equal footing when competing for sustainability grants.

During the past decade, the number of women-owned small businesses has exploded. Women-owned small businesses are the fastest growing segment of our nation's business community. Years ago, there was an advertising campaign slogan proclaiming that women ''had come a long way.'' I find that slogan very applicable to the plateau now reached by women entrepreneurs. Women business owners have established themselves as a key component of our small business community,

which has been the engine driving our economy during the 1990's.

The research foundation arm of the National Association of Women business Owners (NAWBR) has conducted studies which show that women no longer are having more trouble than men obtaining bank loans. However, obtaining a loan does not guarantee a business' success. In fact, many small businesses that start out well capitalized end up failing. Success of a small business is usually dependent on the owners' management capabilities. Women's Business Centers offer help to women entrepreneurs who are looking to start a business or who already have a business by providing them with business and education training, including marketing, finance, and management assistance.

For the past three years, I have worked with Senator DOMENICI, Senator KERRY, and Members of the Committee on Small Business first to save and later to expand the Women's Business Center Program. In 1996, when the Administration sought to zero-out the budget of the program, I helped lead the effort to earmark funds for the program within SBA's Fiscal Year 1997 budget. In 1997, Senator DOMENICI, Senator KERRY and I sponsored the ''Women's Business Centers Act of 1997,'' which expanded the program from $4 million to $8 million per year. This bill was incorporated into the ''Small Business Reauthorization Act of 1997'' (Public Law 105–135).

Earlier this year, the Congress passed the ''Women's Business Center Amendments Act of 1999'' (Public Law 106–17), which helped bring us closer to achieving our goal of having at least one Women's Business Center up and running in each of the 50 states. This law authorized $11 million for Fiscal Year 2000 for the Women's Business Center Program, which allows SBA to continue to fund the existing 35 eligible Centers and provide seed funding to new eligible applicant Centers in states not yet served by the program.

Under this latest step to strengthen the SBA's program for women-owned businesses, the ''Women's Business Centers Sustainability Act of 1999'' addresses the ongoing funding constraints that are making it increasingly difficult for Women's Business Centers to sustain the level of services they provide after they graduate from the Women's Business Centers program.

To help these centers, S. 791 would establish a four-year competitive grant pilot program that allows graduating and graduated centers that offer ongoing programs and services to women entrepreneurs to compete for another five years of matching grants known as a ''sustainability grant.'' ''Graduating centers'' are centers that are in the final year of their initial five-year funding cycle. A ''graduated center'' is a center that participated in the Women's Business Center program and no longer receives program funds but is still actively providing business programs and services to its local market.

The ''Women's Business Center Sustainability Act of 1999'' also increases oversight and review of the Women's Business Centers. Earlier this year, the General Accounting Office (GAO) undertook an examination of the Women's Business Center Program at the request of the Senate and House Committees on Small Business. The GAO found that more than two-thirds of the centers that currently receive grant funds or that received funds in the past continue to operate as Women's Business Centers. Most that are continuing to operate after Federal support ceased have continued to offer similar services to women business owners.

While conducting its examination, GAO investigators experienced difficulty obtaining complete data about the program from the SBA because of limitations of SBA's records and databases for program years 1989 through 1998. I am concerned about the report from the GAO highlighting the failure of SBA to keep complete program and financial records on Centers that are receiving SBA grants funds; therefore, the bill includes a provision requiring the SBA to send the Senate and House Committees on Small Business a yearly Management Report on the status of the program. This report will include an annual programmatic and financial examination of each Women's Business Center. Further, SBA is directed to make a determination annually of the programmatic and financial viability of each Women's Business Center. It is my belief that this new statutory requirement will lead to better SBA oversight and a stronger Women's Business Center Program.

During the Committee's consideration of S. 791, it approved unanimously an amendment sponsored by Senator ABRAHAM addressing Federal procurement opportunities for women-owned small businesses. The amendment directs the GAO to conduct an audit on the federal procurement system for the preceding three years and report on all identifiable trends in Federal contracting that are related to women-owned small businesses.

It is difficult to understand how the women-owned small businesses segment of our economy can make up 38 percent of all small businesses and receive only 2.2 percent of the $181 billion in Federal prime contracts. In 1994, Congress passed into law a goal for women-owned small businesses to receive at least 5 percent of the total amount of Federal prime contract dollars. I am distributed by the failure of the Federal agencies to meet this goal, and it is our intention for the GAO study to shed some light on this problem.

Mr. President, passage of the ''Women's Business Centers Sustainability Act of 1999'' will build on the progress and successes we have accomplished to assist women entrepreneurs succeed as small business owners. I urge each of my colleagues to vote in favor of this important legislation.

Mr. KERRY. Mr. President, seven months ago I introduced the Women's Business Centers Sustainability Act of 1999, a bill to help our Women's Business Centers weather the increasingly harsh climate of fundraising. These centers play an important role in our economy and in promoting economic independence for women. They help women take an honest look at their strengths and interests to find out whether they should strike out on their own. They teach women how to turn their talents into a business. And they train women in the fundamentals of starting and running a successful business. The centers are located in rural, urban and suburban areas, and direct much of their training and counseling assistance toward socially and economically disadvantaged women.

Through the Women's Business Centers Program, business development resources and assistance available to women have steadily improved. The program opened its first 12 centers in 1989. Ten years later, women receive assistance at 81 centers in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. In addition to increasing self-sufficiency among women, Women's Business Centers strengthen women's business ownership overall and encourage local job creation. Over the past decade, the number of women-owned businesses operating in this country has grown by 103 percent to an estimated 9.1 million firms, generating $3.6 trillion in sales annually, while employing more than 27.5 million workers. In 1998, women-owned businesses made up more than one-third of the 23 million small businesses in the United States.

In spite of the important contributions the Women's Business Centers make to the national economy, we are in danger of losing many effective centers if we don't change the funding structure before their five-year funding runs out. Currently, the Small Business Administration's Women's Business Centers program provides five-year grants of up to $150,000, matched by non-Federal dollars, to private-sector organizations so that they can establish business-training centers for women. From Senate and House hearings at the beginning of the year, we know that without the Federal matching grant, most centers cannot afford to continue providing the same quality of services or to keep their doors open. That money is their bread and butter, as well as indispensable for leveraging fundraising dollars. I believe the Women's Business Centers Sustainability Act of 1999 is a fair way to let WBCs recompete for the base funding.

The Women's Business Centers Act creates a four-year pilot that allows graduating and graduated centers to recompete for five-year matching grants of up to $125,000. It requires the SBA to do site visits as part of the final selection process so that we can

better judge which centers merit a sustainability grant after five years in the program. It includes a provision from Senator BOND to increase management oversight and review of Centers to better evaluate the viability of centers and improve SBA's management of the program. And it incrementally raises over four years the annual authorization levels from $12 million in fiscal year 2000 to $14.5 million in fiscal year 2003. The increased authorization levels ensure that there are adequate monies to fund 45 existing centers, an average of eight recompeting centers annually, and an average of 10 new centers per year.

The Women's Business Centers Sustainability Act of 1999 has tremendous support. It is also the product of old-fashioned cooperation between Democrats and Republicans, and the House and Senate. I want to thank not only the 30 Senators—20 Democrats and 10 Republicans—who are cosponsors of this bill, but also the staff members on the House Small Business Committee who work for Chairman TALENT, Ranking Member NYDIA VELÁZQUEZ, and Congresswoman KELLY.

For the record, I would like to recognize the 30 cosponsors of my bill—BOND, HARKIN, BINGAMAN, DOMENICI, LEVIN, ENZI, KENNEDY, ABRAHAM, SARBANES, AKAKA, EDWARDS, FEINSTEIN, LANDRIEU, BOXER, CLELAND, KOHL, WELLSTONE, BURNS, LEAHY, SNOWE, HUTCHISON, DURBIN, SANTORUM, MURRAY, MIKULSKI, INOUYE, JEFFORDS, LIEBERMAN, BENNETT and ROBB.

Mr. President, I know how important this bill is to members on both sides of the aisle. I thank my colleagues for their support.

Mr. LEVIN. Mr. President, I am pleased the Senate is prepared to pass the Women's Business Centers Sustainability Act of 1999. I am an original cosponsor of this legislation to 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. These Centers would have previously been ineligible for renewed funding.

Women-owned businesses are the fastest growing sector of small businesses in America and provide innumerable jobs and resources to the state of Michigan and around the country. Last year, women-owned businesses made up more than one-third of the 23 million small businesses in the United States. The Women's Business Center program offers important tools to women who want to start or expand small businesses. However, the program is in danger of losing many effective Centers because the Centers are finding it increasingly difficult to raise the required non-Federal matching funds necessary to keep the programs running.

This legislation allows existing Centers to recompete for Federal funds, but sets the recompetition standards higher than those used for centers applying for their initial five-year funding term. This is to take into account established Centers' higher levels of experience and ensures that Centers meeting the highest standards can continue to get funded. 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.

Michigan has three Women's Business Centers, the Center for Empowerment and Economic Development, CEED, which houses the Women's Initiative for Self-Employment, WISE, in Ann Arbor, the Grand Rapids Opportunities for Women, GROW, in Grand Rapids, and The Detroit Entrepreneurship Institute, Inc, DEI.

These Michigan programs offer women who want to open a small business 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 strongly support this legislation and believe they need to be able to recompete for Federal resources in order to continue to be able to offer the current levels of services and support to Michigan's women-owned businesses. This bill would allow them to do that.

I am pleased that Congress has continued to recognize the importance of funding the Women's Business Center program. In 1997, Congress enacted legislation to make a 1989–1991 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 extend 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 that will be passed by the Senate today under a unanimous consent agreement will allow existing Women's Business Centers to compete for additional Federal funding. It also authorizes increased appropriations for the program for 4 years. It increases the FY 2000 and FY 2001 authorization from $11 million to $12 million. It also authorizes appropriations of $12.8 million in FY 2001; $13.7 million in FY 2002; and $14.5 million in FY 2003 for this program.

This is an important piece of legislation and I am pleased my Senate colleagues are supporting it.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the substitute amendment, as amended, be agreed to, the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table, and that any statements be printed in the RECORD.

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

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 791), as amended, was read the third time and passed, 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. PRIVATE NONPROFIT ORGANIZATIONS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) the term 'private nonprofit organization' means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;''; and

(2) in subsection (b), by inserting ''nonprofit'' after ''private''.

SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW OF WOMEN'S BUSINESS CENTERS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—

(1) by striking subsection (h) and inserting the following:

''(h) PROGRAM EXAMINATION.—

''(1) IN GENERAL.—The Administration shall—

''(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

''(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

''(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and

''(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.

''(2) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to award a contract (as a sustainability grant) under subsection (*l*) or to renew a contract (either as a grant or cooperative agreement) under this section with a women's business center, the Administration—

''(A) shall consider the results of the most recent examination of the center under paragraph (1); and

''(B) may withhold such award or renewal, if the Administration determines that—

''(i) the center has failed to provide any information required to be provided under

clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or

''(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate.''; and

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

''(j) MANAGEMENT REPORT.—

''(1) IN GENERAL.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.

''(2) CONTENTS.—Each report submitted under paragraph (1) shall include information concerning, with respect to each women's business center established pursuant to this section—

''(A) the number of individuals receiving assistance;

''(B) the number of startup business concerns formed;

''(C) the gross receipts of assisted concerns;

''(D) the employment increases or decreases of assisted concerns;

''(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and

''(F) the most recent analysis, as required under subsection (h)(1)(B), and the subsequent determination made by the Administration under that subsection.''.

SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT 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) SUSTAINABILITY PILOT PROGRAM.—

''(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—

''(A) that has received financial assistance under this section pursuant to a grant, contract, or cooperative agreement; and

''(B) that—

''(i) is in the final year of a 5-year project; or

''(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

''(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

''(A) a certification that the applicant—

''(i) is a private nonprofit organization;

''(ii) employs a full-time executive director or program manager to manage the center; and

''(iii) as a condition of receiving a sustainability grant, agrees—

''(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

''(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

''(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;

''(C) information relating to assistance provided by the women's business center site for which a sustainability grant is sought in the area in which the site is located, including—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling, training, and workshops provided; and

''(iii) the number of startup business concerns formed;

''(D) information demonstrating the effective experience of the applicant in—

''(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

''(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

''(iii) using resource partners of the Administration and other entities, such as universities;

''(iv) complying with the cooperative agreement of the applicant; and

''(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

''(E) a 5-year plan that projects the ability of the women's business center site for which a sustainability grant is sought—

''(i) to serve women business owners or potential owners in the future by improving fundraising and training activities; and

''(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(3) REVIEW OF APPLICATIONS.—

''(A) IN GENERAL.—The Administration shall—

''(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

''(ii) as part of the final selection process, conduct a site visit at each women's business center for which a sustainability grant is sought; and

''(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

''(B) DATA COLLECTION.—Consistent with the annual report to Congress under subsection (j), each women's business center site that is awarded a sustainability grant shall, to the maximum extent practicable, collect information relating to—

''(i) the number of individuals assisted;

''(ii) the number of hours of counseling and training provided and workshops conducted;

''(iii) the number of startup business concerns formed;

''(iv) any available gross receipts of assisted concerns; and

''(v) the number of jobs created, maintained, or lost at assisted concerns.

''(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

''(4) NON-FEDERAL CONTRIBUTION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, as a condition of receiving a sustainability grant, an organization described in paragraph (1) shall agree to obtain, after its application has been approved under paragraph (3) and notice of award has been issued, cash and in-kind 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) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

''(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women's business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 29(k) of the Small Business Act (15 U.S.C. 656(k)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

''(A) $12,000,000 for fiscal year 2000;

''(B) $12,800,000 for fiscal year 2001;

''(C) $13,700,000 for fiscal year 2002; and

''(D) $14,500,000 for fiscal year 2003.'';

(2) in paragraph (2)—

(A) by striking ''Amounts made'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made''; and

(B) by adding at the end the following:

''(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year, the following amounts shall be available for selection panel costs, post-award conference costs, and costs related to monitoring and oversight:

''(i) For fiscal year 2000, 2 percent.

''(ii) For fiscal year 2001, 1.9 percent.

''(iii) For fiscal year 2002, 1.9 percent.

''(iv) For fiscal year 2003, 1.6 percent.''; and

(3) by adding at the end the following:

''(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

''(i) For fiscal year 2000, 17 percent.

''(ii) For fiscal year 2001, 18.8 percent.

''(iii) For fiscal year 2002, 30.2 percent.

''(iv) For fiscal year 2003, 30.2 percent.

''(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women's business center sites or to increase funding of existing women's business center sites under subsection (b).''.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

SEC. 5. SENSE OF THE SENATE REGARDING GOVERNMENT PROCUREMENT ACCESS FOR WOMEN-OWNED SMALL BUSINESSES.

(a) FINDINGS.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

(D) employment provided by women-owned small businesses in the United States increased by 183 percent; and

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

(i) 171 percent in construction;

(ii) 157 percent in wholesale trade;

(iii) 140 percent in transportation and communications;

(iv) 130 percent in agriculture; and

(v) 112 percent in manufacturing;

(3) approximately 8,000,000 women-owned small businesses in the United States provide jobs for 15,500,000 individuals and generate almost $1,400,000,000,000 in sales each year;

(4) the participation of women-owned small businesses in the United States in the procurement market of the Federal Government is limited;

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than $200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost $25,000 or less; and

(7) the rate of Federal procurement for women-owned small businesses is 2.2 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

(3) submit to Congress a report on the results of that audit, which report shall include—

(A) an analysis of any identified trends in Federal contracting with respect to women-owned small businesses;

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1999.

INDEPENDENT OFFICE OF ADVOCACY ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to consideration of Calendar No. 267, S. 1346.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Small Business, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1346

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 ''Independent Office of Advocacy Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) excessive regulations continue to burden our Nation's small businesses;

(2) Federal agencies are reluctant to comply with the requirements of chapter 6 of title 5, United States Code, and continue to propose regulations that impose disproportionate burdens on small businesses;

(3) the Office of Advocacy of the Small Business Administration (referred to in this Act as the ''Office'') is an effective advocate for small businesses that can help ensure that agencies are responsive to small businesses and that agencies comply with their statutory obligations under chapter 6 of title 5, United States Code and under the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121; 106 Stat. 4249 et seq.);

(4) the independence of the Office is essential to ensure that it can serve as an effective advocate for small businesses without being restricted by the views or policies of the Small Business Administration or any other executive branch agency;

(5) the Office needs sufficient resources to conduct the research required to assess effectively the impact of regulations on small businesses; and

(6) the research, information, and expertise of the Office make it a valuable adviser to Congress as well as the executive branch agencies with which the Office works on behalf of small businesses.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to ensure that the Office has the statutory independence and adequate financial resources to advocate for and on behalf of small business;

(2) to require that the Office report to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator of the Small Business Administration in order to keep them fully and currently informed about issues and regulations affecting small businesses and the necessity for corrective action by the regulatory agency or Congress;

(3) to provide a separate authorization for appropriations for the Office;

(4) to authorize the Office to report to the President and to Congress regarding agency compliance with chapter 6 of title 5, United States Code; and

(5) to enhance the role of the Office pursuant to chapter 6 of title 5, United States Code.

SEC. 4. OFFICE OF ADVOCACY.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 33; and

(2) by inserting after section 31 the following:

''SEC. 32. OFFICE OF ADVOCACY.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Chief Counsel' means the Chief Counsel for Advocacy appointed under subsection (b); and

''(2) the term 'Office' means the Office of Advocacy established under subsection (b).

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established in the Administration an Office of Advocacy (referred to in this section as the 'Office').

''(2) CHIEF COUNSEL FOR ADVOCACY.—

''(A) IN GENERAL.—The management of the Office shall be vested in a Chief Counsel for Advocacy who shall be appointed *from civilian life* by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the ground of fitness to perform the duties of the office.

''(B) EMPLOYMENT RESTRICTION.—The individual appointed to the office of Chief Counsel for Advocacy may not serve as an officer or employee of the Small Business Administration during the 5-year period preceding the appointment.

''(C) REMOVAL.—The Chief Counsel for Advocacy may be removed from office by the President and the President shall notify Congress of any such removal [within 30 days after] *not later than 30 days before* the removal.

''(3) APPROPRIATION REQUEST.—Each appropriation request prepared and submitted by the Administration under section 1108 of title 31, United States Code, shall include a separate request relating to the Office.

''(c) PRIMARY FUNCTIONS.—The Office shall—

''(1) examine the role of small businesses in the economy of the United States and the contribution that small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing the means by which new and untested products and services can be brought to the marketplace;

''(2) assess the effectiveness of Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on those programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

''(3) measure the direct costs and other effects of government regulation of small businesses, and make legislative, regulatory, and nonlegislative proposals for eliminating the excessive or unnecessary regulation of small businesses;

''(4) determine the impact of the tax structure on small businesses and make legislative, regulatory, and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

''(5) study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands on credit for small businesses;

''(6) determine financial resource availability and recommend methods for—

''(A) delivery of financial assistance to minority and women-owned enterprises, including methods for securing equity capital;

''(B) generating markets for goods and services;

''(C) providing effective business education, more effective management and technical assistance, and training; and

''(D) assistance in complying with Federal, State, and local laws;

''(7) evaluate the efforts of Federal agencies and the private sector to assist minority and women-owned enterprises;

''(8) make such recommendations as may be appropriate to assist the development and strengthening of minority, women-owned, and other small businesses;

''(9) recommend specific measures for creating an environment in which all businesses will have the opportunity to—

''(A) compete effectively and expand to their full potential; and

''(B) ascertain any common reasons for small business successes and failures;

''(10) determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate; and

''(11) make recommendations and submit reports to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator with respect to issues and regulations affecting small businesses and the necessity for corrective action by the Administrator, any Federal department or agency, or Congress.

''(d) ADDITIONAL FUNCTIONS.—The Office shall, on a continuing basis—

''(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other department or agency of the Federal Government that affects small businesses;

''(2) counsel small businesses on the means by which to resolve questions and problems concerning the relationship between small businesses and the Federal Government;

''(3) develop proposals for changes in the policies and activities of any agency of the Federal Government that will better fulfill the purposes of this section and communicate such proposals to the appropriate Federal agencies;

''(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small business;

''(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government that are of benefit to small businesses, and information on the means by which small businesses can participate in or make use of such programs and services; and

''(6) carry out the responsibilities of the Office under chapter 6 of title 5, United States Code.

''(e) STAFF AND POWERS.—

''(1) STAFF.—

''(A) IN GENERAL.—The Chief Counsel may, without regard to the civil service laws and regulations, appoint and terminate such additional personnel as may be necessary to enable the Office to perform its duties under this section.

''(B) COMPENSATION.—The Chief Counsel may fix the compensation of personnel appointed under this paragraph without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, but at rates not to exceed the minimum rate payable for a position at GS–15 of the General Schedule, except that not more than 14 employees of the Office at any one time may be compensated at a rate not to exceed the maximum rate payable for a position at GS–15 of the General Schedule.

''(2) POWERS.—In carrying out this section, the Chief Counsel may—

''(A) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

''(B) consult with—

''(i) experts and authorities in the fields of small business investment, venture capital, investment and commercial banking, and other comparable financial institutions involved in the financing of business; and

''(ii) individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest;

''(C) use the services of the National Advisory Council established under section 8(b) and, in accordance with that section, appoint such other advisory boards or committees as the Chief Counsel determines to be reasonably necessary and appropriate to carry out this section; and

''(D) hold hearings and sit and act at such times and places as the Chief Counsel determines to be appropriate.

''(f) OVERHEAD AND ADMINISTRATIVE SUPPORT.—The Administrator shall provide the Office with appropriate and adequate office space at central and field office locations of the Administration, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

''(g) INFORMATION FROM FEDERAL AGENCIES.—The Chief Counsel may secure directly from any Federal department or agency such information as the Chief Counsel considers to be necessary to carry out this section. Upon request of the Chief Counsel, the head of such department or agency shall furnish such information to the Office.

''(h) REPORTS.—

''(1) ANNUAL REPORTS.—Not less than annually, the Chief Counsel shall submit to the President and to the Committees on Small Business of the Senate and the House of Representatives a report on agency compliance with chapter 6 of title 5, United States Code.

''(2) ADDITIONAL REPORTS.—In addition to the reports required under paragraph (1) of this subsection and subsection (c)(12), the Chief Counsel may prepare and publish such reports as the Chief Counsel determines to be appropriate.

''(3) PROHIBITION.—No report under this section shall be submitted to the Office of Management and Budget or to any other department or agency of the Federal Government for any purpose before submission of the report to the President and to Congress.

''(i) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Office to carry out this section such sums as may be necessary for each fiscal year.

''(2) AVAILABILITY.—Any sums appropriated under paragraph (1) shall remain available, without fiscal year limitation, until expended.''.

(b) REPEAL.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is repealed.

(c) INCUMBENT CHIEF COUNSEL FOR ADVOCACY.—The individual serving as the Chief Counsel for Advocacy of the Small Business Administration on the date of enactment of this Act shall continue to serve in that position after such date in accordance with section 32 of the Small Business Act, as amended by this section.

Mr. BOND. Mr. President, I rise in support of the ''Independent Office of Advocacy Act'' (S. 1346). This bill is designed to build on the success achieved by the Office of Advocacy over the past 23 years. It is intended to strengthen that foundation to make the Office of Advocacy a stronger, more effective advocate for all small businesses throughout the United States. I introduced the ''Independent Office of Advocacy Act'' on July 1, 1999. Two weeks later, on July 15th, the Committee on Small Business voted unanimously, 17–0, in favor of this important legislation.

The Office of Advocacy is a unique office within the Federal government. It is part of the Small Business Administration (SBA/Agency), and its director, the Chief Counsel for Advocacy, is nominated by the President and confirmed by the Senate. At the same time, the Office is also intended to be the independent voice for small business within the Federal government. It is supposed to develop proposals for changing government policies to help small businesses, and it is supposed to represent the views and interests of small businesses before other Federal agencies.

As the director of the Office of Advocacy, the Chief Counsel for Advocacy has a dual responsibility. On the one hand, he is the independent watchdog for small business. On the other hand, he is also a part of the President's Administration. As you can imagine, those are sometimes difficult roles to play simultaneously.

The ''Independent Office of Advocacy Act'' would make the Office of Advocacy and the Chief Counsel for Advocacy a fully independent advocate within the Executive Branch acting on behalf of the small business community. The bill would establish a clear mandate that the Office of Advocacy will fight on behalf of small businesses regardless of the position taken on critical issues by the President and his Administration.

S. 1346 would direct the Chief Counsel to submit an annual report on Federal agency compliance with the Regulatory Flexibility Act to the President and the Senate and House Committees on Small Business. The ''Reg Flex Act'' is a very important weapon in the war against the over-regulation of small businesses. At the request of Senator FRED THOMPSON, Chairman of the Government Affairs Committee, I am offering a noncontroversial amendment to S. 1346 that would direct the Chief Counsel for Advocacy to send a copy of the report to the Senate Government Affairs Committee. In addition, my amendment would also require that copies of the report be sent to the House Committee on Government Reform and the House and Senate Committees on the Judiciary. It makes good sense for each of the committees to receive this report on Reg Flex compliance, and I urge my colleagues to support the amendment.

The Office of Advocacy as envisioned by the ''Independent Office of Advocacy Act'' would be unique with the Executive Branch. The Chief Counsel for Advocacy would be a wide-ranging advocate, who would be free to take positions contrary to the Administration's policies and to advocate change in government programs and attitudes as they impact small businesses. During consideration of the bill, the Committee adopted unanimously an amendment I offered, which was cosponsored by Senator JOHN KERRY, the Committee's Ranking Democrat, to require the

Chief Counsel to be appointed ''from civilian life.'' This qualification is intended to emphasize that the person nominated to serve in this important role should have a strong small business background.

In 1976, Congress established the Office of Advocacy in the SBA to be the eyes, ears and voice for small business within the Federal government. Over time, it has been assumed that the Office of Advocacy is the ''independent'' voice for small business. While I strongly believe that the Office of Advocacy and the Chief Counsel should be independent and free to advocate or support positions that might be contrary to the Administration's policies, I have come to find that the Office is not as independent as necessary to do the job for small business.

For example, funding for the Office of Advocacy comes from the Salaries and Expense Account of the SBA's budget. Staffing is allocated by the SBA Administrator to the Office of Advocacy from the overall staff allocation for the Agency. In 1990, there were 70 full-time employees working on behalf of small businesses in the Office of Advocacy. Today's allocation of staff is 49, and fewer are actually on-board as the result of the hiring freeze imposed by the SBA Administrator. The independence of the Office is diminished when the Office of Advocacy staff is reduced to allow for increased staffing for new programs and additional initiatives in other areas of SBA, at the discretion of the Administrator.

In addition, the General Accounting Office (GAO) recently completed a report for me on personnel practices at the SBA (GAO/GGD–99–68). I was alarmed by the GAO's finding that Assistant and Regional Advocates hired by the Office of Advocacy share many of the attributes of Schedule C political appointees. In fact, Regional Advocates are frequently cleared by the White House personnel office—the same procedure followed for approving Schedule C political appointees.

The facts discussed in the GAO Report cast the Office of Advocacy in a whole new light—one that had not been apparent until earlier this year. The report raises the questions, concerns and suspicions regarding the independence of the Office of Advocacy. Has there been a time when the Office did not pursue a matter as vigorously as it might have were it not for direct or indirect political influence? Prior to receipt of the GAO Report, my response was a resounding ''No.'' But now, a question mark arises.

Let me take a moment and note that I will be unrelenting in my efforts to insure the complete independence of the Office of Advocacy in all matters, at all times, for the continued benefit of all small business. However, so long as the Administration controls the budget allocated to the Office of Advocacy and controls who is hired, the independence of the Office may be in jeopardy. We must correct this situation, and the sooner we do it, the better it will be for the small business community.

The ''Independent Office of Advocacy Act'' builds a firewall to prevent the political intrusion into the management of day-to-day operations of the Office of Advocacy. The bill would require that the SBA's budget include a separate account for the Office of Advocacy. No longer would its funds come from the general operating account of the Agency. The separate account would also provide for the number of full-time employees who would work within the Office of Advocacy. No longer would the Chief Counsel for Advocacy have to seek approval from the SBA Administrator to hire staff for the Office of Advocacy.

The bill would also continue the practice of allowing the Chief Counsel to hire individuals critical to the mission of the Office of Advocacy without going through the normal competitive procedures directed by federal law and the Office of Personnel Management (OPM). I believe this special hiring authority, which is limited only to employees within the Office of Advocacy, is beneficial because it allows the Chief Counsel to hire quickly those persons who can best assist the Office in responding to changing issues and problems confronting small businesses.

Mr. President, the ''Independent Office of Advocacy Act'' is a sound bill. It is the product of a great deal of thoughtful, objective review and consideration by me, the staff of the Committee on Small Business, representatives of the small business community, former Chief Counsels for Advocacy and others. These individuals have also devoted much time and effort in actively participating in a Committee Roundtable discussion on the Office of Advocacy, which my Committee held on April 21, 1999. And I stated earlier, the Committee on Small Business approved this bill by a unanimous 17–0 vote. Therefore, I strongly urge my colleagues in the Senate to vote in favor of the ''Independent Office of Advocacy Act.''

Mr. DOMENICI. I ask unanimous consent the committee amendment be agreed to.

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

The committee amendment was agreed to.

AMENDMENT NO. 2544

(Purpose: To make an amendment with respect to the submission of annual reports)

Mr. DOMENICI. Mr. President, Senator BOND has an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BOND, proposes an amendment numbered 2544.

The amendment is as follows:

On page 12, line 12, insert after ''Representatives'' the following: ''; the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives''.

Mr. DOMENICI. I ask consent the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2544) was agreed to.

The bill (S. 1346), as amended, was read the third time and passed, as follows:

S. 1346

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 ''Independent Office of Advocacy Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) excessive regulations continue to burden our Nation's small businesses;

(2) Federal agencies are reluctant to comply with the requirements of chapter 6 of title 5, United States Code, and continue to propose regulations that impose disproportionate burdens on small businesses;

(3) the Office of Advocacy of the Small Business Administration (referred to in this Act as the ''Office'') is an effective advocate for small businesses that can help ensure that agencies are responsive to small businesses and that agencies comply with their statutory obligations under chapter 6 of title 5, United States Code and under the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121; 106 Stat. 4249 et seq.);

(4) the independence of the Office is essential to ensure that it can serve as an effective advocate for small businesses without being restricted by the views or policies of the Small Business Administration or any other executive branch agency;

(5) the Office needs sufficient resources to conduct the research required to assess effectively the impact of regulations on small businesses; and

(6) the research, information, and expertise of the Office make it a valuable adviser to Congress as well as the executive branch agencies with which the Office works on behalf of small businesses.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to ensure that the Office has the statutory independence and adequate financial resources to advocate for and on behalf of small business;

(2) to require that the Office report to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator of the Small Business Administration in order to keep them fully and currently informed about issues and regulations affecting small businesses and the necessity for corrective action by the regulatory agency or Congress;

(3) to provide a separate authorization for appropriations for the Office;

(4) to authorize the Office to report to the President and to Congress regarding agency compliance with chapter 6 of title 5, United States Code; and

(5) to enhance the role of the Office pursuant to chapter 6 of title 5, United States Code.

SEC. 4. OFFICE OF ADVOCACY.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 33; and

(2) by inserting after section 31 the following:

"SEC. 32. OFFICE OF ADVOCACY.

''(a) DEFINITIONS.—In this section—

''(1) the term 'Chief Counsel' means the Chief Counsel for Advocacy appointed under subsection (b); and

''(2) the term 'Office' means the Office of Advocacy established under subsection (b).

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established in the Administration an Office of Advocacy (referred to in this section as the 'Office').

''(2) CHIEF COUNSEL FOR ADVOCACY.—

''(A) IN GENERAL.—The management of the Office shall be vested in a Chief Counsel for Advocacy who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the ground of fitness to perform the duties of the office.

''(B) EMPLOYMENT RESTRICTION.—The individual appointed to the office of Chief Counsel for Advocacy may not serve as an officer or employee of the Small Business Administration during the 5-year period preceding the appointment.

''(C) REMOVAL.—The Chief Counsel for Advocacy may be removed from office by the President and the President shall notify Congress of any such removal not later than 30 days before the removal.

''(3) APPROPRIATION REQUEST.—Each appropriation request prepared and submitted by the Administration under section 1108 of title 31, United States Code, shall include a separate request relating to the Office.

''(c) PRIMARY FUNCTIONS.—The Office shall—

''(1) examine the role of small businesses in the economy of the United States and the contribution that small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing the means by which new and untested products and services can be brought to the marketplace;

''(2) assess the effectiveness of Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on those programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

''(3) measure the direct costs and other effects of government regulation of small businesses, and make legislative, regulatory, and nonlegislative proposals for eliminating the excessive or unnecessary regulation of small businesses;

''(4) determine the impact of the tax structure on small businesses and make legislative, regulatory, and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

''(5) study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands on credit for small businesses;

''(6) determine financial resource availability and recommend methods for—

''(A) delivery of financial assistance to minority and women-owned enterprises, including methods for securing equity capital;

''(B) generating markets for goods and services;

''(C) providing effective business education, more effective management and technical assistance, and training; and

''(D) assistance in complying with Federal, State, and local laws;

''(7) evaluate the efforts of Federal agencies and the private sector to assist minority and women-owned enterprises;

''(8) make such recommendations as may be appropriate to assist the development and strengthening of minority, women-owned, and other small businesses;

''(9) recommend specific measures for creating an environment in which all businesses will have the opportunity to—

''(A) compete effectively and expand to their full potential; and

''(B) ascertain any common reasons for small business successes and failures;

''(10) determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate; and

''(11) make recommendations and submit reports to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator with respect to issues and regulations affecting small businesses and the necessity for corrective action by the Administrator, any Federal department or agency, or Congress.

''(d) ADDITIONAL FUNCTIONS.—The Office shall, on a continuing basis—

''(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other department or agency of the Federal Government that affects small businesses;

''(2) counsel small businesses on the means by which to resolve questions and problems concerning the relationship between small businesses and the Federal Government;

''(3) develop proposals for changes in the policies and activities of any agency of the Federal Government that will better fulfill the purposes of this section and communicate such proposals to the appropriate Federal agencies;

''(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small business;

''(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government that are of benefit to small businesses, and information on the means by which small businesses can participate in or make use of such programs and services; and

''(6) carry out the responsibilities of the Office under chapter 6 of title 5, United States Code.

''(e) STAFF AND POWERS.—

''(1) STAFF.—

''(A) IN GENERAL.—The Chief Counsel may, without regard to the civil service laws and regulations, appoint and terminate such additional personnel as may be necessary to enable the Office to perform its duties under this section.

''(B) COMPENSATION.—The Chief Counsel may fix the compensation of personnel appointed under this paragraph without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, but at rates not to exceed the minimum rate payable for a position at GS–15 of the General Schedule, except that not more than 14 employees of the Office at any one time may be compensated at a rate not to exceed the maximum rate payable for a position at GS–15 of the General Schedule.

''(2) POWERS.—In carrying out this section, the Chief Counsel may—

''(A) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

''(B) consult with—

''(i) experts and authorities in the fields of small business investment, venture capital, investment and commercial banking, and other comparable financial institutions involved in the financing of business; and

''(ii) individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest;

''(C) use the services of the National Advisory Council established under section 8(b) and, in accordance with that section, appoint such other advisory boards or committees as the Chief Counsel determines to be reasonably necessary and appropriate to carry out this section; and

''(D) hold hearings and sit and act at such times and places as the Chief Counsel determines to be appropriate.

''(f) OVERHEAD AND ADMINISTRATIVE SUPPORT.—The Administrator shall provide the Office with appropriate and adequate office space at central and field office locations of the Administration, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

''(g) INFORMATION FROM FEDERAL AGENCIES.—The Chief Counsel may secure directly from any Federal department or agency such information as the Chief Counsel considers to be necessary to carry out this section. Upon request of the Chief Counsel, the head of such department or agency shall furnish such information to the Office.

''(h) REPORTS.—

''(1) ANNUAL REPORTS.—Not less than annually, the Chief Counsel shall submit to the President and to the Committees on Small Business of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Committees on the Judiciary of the Senate and the House of Representatives a report on agency compliance with chapter 6 of title 5, United States Code.

''(2) ADDITIONAL REPORTS.—In addition to the reports required under paragraph (1) of this subsection and subsection (c)(12), the Chief Counsel may prepare and publish such reports as the Chief Counsel determines to be appropriate.

''(3) PROHIBITION.—No report under this section shall be submitted to the Office of Management and Budget or to any other department or agency of the Federal Government for any purpose before submission of the report to the President and to Congress.

''(i) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Office to carry out this section such sums as may be necessary for each fiscal year.

''(2) AVAILABILITY.—Any sums appropriated under paragraph (1) shall remain available, without fiscal year limitation, until expended.''.

(b) REPEAL.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is repealed.

(c) INCUMBENT CHIEF COUNSEL FOR ADVOCACY.—The individual serving as the Chief Counsel for Advocacy of the Small Business Administration on the date of enactment of this Act shall continue to serve in that position after such date in accordance with section 32 of the Small Business Act, as amended by this section.

TO PROVIDE FOR THE HOLDING OF COURT IN NATCHEZ, MISSISSIPPI IN THE SAME MANNER AS COURT IS HELD IN VICKSBURG, MISSISSIPPI

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to the immediate consideration of Calendar No. 386, S. 1418.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1418) to provide for the holding of court in Natchez, Mississippi, in the same manner as court is held in Vicksburg, Mississippi, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. I ask consent the bill be read a third time and passed, the motion to reconsider be laid on the table, and any statement relating to the bill be printed in the RECORD.

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

The bill (S. 1418) was read the third time and passed, as follows:

S. 1418

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

SECTION 1. HOLDING OF COURT AT NATCHEZ, MISSISSIPPI.

Section 104(b)(3) of title 28, United States Code, is amended in the second sentence by striking all beginning with the colon through ''United States''.

MISSOURI-NEBRASKA BOUNDARY COMPACT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 389, H.J. Res. 54.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 54) granting the consent of Congress to the Missouri-Nebraska Boundary Compact.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The joint resolution (H.J. Res. 54) was read the third time and passed.

CONTINUED REPORTING OF INTERCEPTED WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 355, S. 1769.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1769) to continue the reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1769

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 ''Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit the annual report described in section 2519(3) of title 18, United States Code, as of December 21, 1999.

SEC. 3. CONTINUED REPORTING REQUIREMENTS.

(a) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

''(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66).''.

(b) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66) is amended—

(1) in paragraph (31), by striking ''or'' at the end;

(2) in paragraph (32), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(33) section 2519(3) of title 18, United States Code.''.

SEC. 4. ENCRYPTION REPORTING REQUIREMENTS.

[Section 2519(1)(b)**]** *(a) Section 2519(2)(b)* of title 18, United States Code, is amended by striking ''and (iv)'' and inserting ''(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)''.

(b) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

SEC. 5. REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.

Section 3126 of title 18, United States Code, is amended by striking the period and inserting '', which report shall include information concerning—

''(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

''(2) the offense specified in the order or application, or extension of an order;

''(3) the number of investigations involved;

''(4) the number and nature of the facilities affected; and

''(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.''.

Mr. LEAHY. Mr. President, I am pleased that the Senate is today considering S. 1769, which I introduced with Chairman HATCH on October 22, 1999. This bill will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. § 2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because ''as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995.'' I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and should be continued. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools

and we should avoid aggravating these sensitivities by changing the reporting agency.

The bill would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the bill would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

Encryption technology is critical to protect sensitive computer and online information. Yet, the same technology poses challenges to law enforcement when it is exploited by criminals to hide evidence or the fruits of criminal activities. A report by the U.S. Working Group on Organized Crime titled, ''Encryption and Evolving Technologies: Tools of Organized Crime and Terrorism,'' released in 1997, collected anecdotal case studies on the use of encryption in furtherance of criminal activities in order to estimate the future impact of encryption on law enforcement. The report noted the need for ''an ongoing study of the effect of encryption and other information technologies on investigations, prosecutions, and intelligence operations''. As part of this study, ''a database of case information from federal and local law enforcement and intelligence agencies should be established and maintained.'' Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to assess law enforcement needs and make sensible policy in this area.

The final section of this bill would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act (''ECPA'') of 1986, P.L. 99–508, codified at 18 U.S.C. §3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and the bill we have introduced would direct the Attorney General to continue providing these specific categories of information. In addition, the bill would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Senate take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the committee amendments be agreed to, the bill be considered read for a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The committee amendments were agreed to.

The bill (S. 1769), as amended, was read the third time and passed, as follows:

S. 1769

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 ''Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit the annual report described in section 2519(3) of title 18, United States Code, as of December 21, 1999.

SEC. 3. CONTINUED REPORTING REQUIREMENTS.

(a) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

''(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66).''.

(b) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66) is amended—

(1) in paragraph (31), by striking ''or'' at the end;

(2) in paragraph (32), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(33) section 2519(3) of title 18, United States Code.''.

SEC. 4. ENCRYPTION REPORTING REQUIREMENTS.

(a) Section 2519(2)(b) of title 18, United States Code, is amended by striking ''and (iv)'' and inserting ''(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)''.

(b) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

SEC. 5. REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.

Section 3126 of title 18, United States Code, is amended by striking the period and inserting '', which report shall include information concerning—

''(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

''(2) the offense specified in the order or application, or extension of an order;

''(3) the number of investigations involved;

''(4) the number and nature of the facilities affected; and

''(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.''.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on the Executive Calendar: Nos. 383 through 392 and all nominations on the Secretary's desk in the Air Force, Army and Navy. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nomination be printed in the RECORD, and the President be immediately notified of the Senate's action.

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

The nominations considered and confirmed are as follows:

DEPARTMENT OF DEFENSE

Cornelius P. O'Leary, of Connecticut, to be a Member of the National Security Education Board for a term of four years.

Alphonso Maldon, Jr., of Virginia, to be an Assistant Secretary of Defense.

John K. Veroneau, of Virginia, to be an Assistant Secretary of Defense.

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. John P. Jumper, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Gregory S. Martin, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce A. Carlson, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Stephen B. Plummer, 0000

IN THE ARMY

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. William F. Smith, III, 0000

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general, Medical Corps

Col. Lester Martinez-Lopez, 0000

The following named officers for appointment in the Reserve of the Army to the grades indicated under title 10, U.S.C., section 12203:

To be major general

Celia L. Adolphi, 0000
James W. Comstock, 0000
Robert M. Kimmitt, 0000
Paul E. Lima, 0000
Thomas J. Matthews, 0000
Jon R. Root, 0000
Joseph L. Thompson III, 0000
John R. Tindall, Jr., 0000
Gary C. Wattnem, 0000

To be brigadier general

Alan D. Bell, 0000
Kristine K. Campbell, 0000
Wayne M. Erck, 0000
Stephen T. Gonczy, 0000
Robert L. Heine, 0000
Paul H. Hill, 0000
Rodney M. Kobayashi, 0000
Thomas P. Maney, 0000
Ronald S. Mangum, 0000
Randall L. Mason, 0000
Paul E. Mock, 0000
Collis N. Phillips, 0000
Michael W. Symanski, 0000
Theodore D. Szakmary, 0000
David A. Van Kleeck, 0000
George H. Walker, Jr., 0000
William K. Wedge, 0000

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, NAVY

Air Force nominations beginning Joseph A. Abbott, and ending Thomas J. Zuzack, which nominations were received by the Senate and appeared in the Congressional Record of October 27, 1999.

Army nomination of Joel R. Rhoades, which was received by the Senate and appeared in the Congressional Record of October 27, 1999.

Navy nominations beginning George R. Arnold, and ending Todd S. Weeks, which nominations were received by the Senate and appeared in the Congressional Record of October 18, 1999.

UNANIMOUS CONSENT AGREEMENT—TREATIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to consider the following treaties on today's Executive Calendar: Nos 4 through 14. I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification; all committee provisos, reservations, understandings, and declarations be considered agreed to; any statements be printed in the RECORD; and the Senate take one vote on the resolutions of ratification to be considered as separate votes. Further, that when the resolutions of ratification are voted upon, the motions to reconsider be laid upon the table, the President be notified of the Senate's action, and the Senate return to legislative session.

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

TAX CONVENTION WITH ESTONIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Republic or Estonia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–55), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the State Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH LITHUANIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Republic of Lithuania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–56), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH LATVIA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Republic of Latvia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 (Treaty Doc. 105–57), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH VENEZUELA

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the

United States of America and the Government of the Republic of Venezuela for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Texas on Income and Capital, together with a Protocol, signed at Caracas on January 25, 1999 (Treaty Doc. 106–3), subject to the understanding of subsection (a), the declarations of subsection 9(b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following understandings, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) PREVENTION OF DOUBLE EXEMPTION.—Where under Article 7 (Business Profits) or Article 14 (Independent Personal Services) of this Convention income is relieved from tax in one Contracting State and, under the law in force in the other Contracting State a person is not subject to tax in that other Contracting State in respect of such income, then the relief to be allowed under this Convention in the first-mentioned Contracting State shall apply only to so much of the income as is subject to tax in the other Contracting State. This understanding shall cease to have effect when the provisions of Venezuela's Law Amending the Income Tax Law (hereinafter the ''new Venezuelan tax law''), relating to the implementation of a worldwide tax system in replacement of Vnezuela's current territorial tax system, are effective in accordance with the provisions of such new Venezuelan tax law.

(2) VENEZUELAN BRANCH PROFITS TAX.—The United States understands that the reference to an ''additional tax'' in Article 11A of the Convention includes the tax that may be imposed by Venezuela (the ''Venezuelan Branch Tax'') pursuant to the relevant provisions of the new Venezuelan tax law. In addition, the United States understands that the limit imposed under Article 11A of the Convention shall apply with respect to the Venezuelan Branch Tax and that for purposes of that article the Venezuelan Branch Tax shall be imposed only on an amount not in excess of the amount that is analogous to the ''dividend equivalent amount'' defined in subparagraph (a) of paragraph 10 of the Protocol with respect to the United States.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following declarations, which shall be binding on the President:

(1) NEW VENEZUELAN TAX LAW.—Before the President may notify Venezuela pursuant to Article 29 of the Convention that the United States has completed the required ratification procedures, he shall certify to the Committee on foreign Relations that:

(i) the new Venezuelan tax law has been enacted in accordance with Venezuelan law;

(ii) the Department of the Treasury in consultation with the Department of State, has thoroughly examined the new Venezuelan tax law; and

(iii) the new Venezuelan tax law is fully consistent with and appropriate to the obligations under the Convention.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH SLOVENIA

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Republic of Slovenia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed at Ljubljana on June 21, 1999 (Treaty Doc. 106–9), subject to the reservation of subsection (a), the understanding of subsection (b), the declaration of subsection (c), and the proviso of subsection (d).

(a) RESERVATION.—The Senate's advice and consent is subject to the following reservation, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) MAIN PURPOSE TESTS.—Paragraph 10 of Article 10 (Dividends), paragraph 10 of Article 11 (Interest), paragraph 7 of Article 12 (Royalties), paragraph 3 of Article 21 (Other Income), and subparagraph (g) of paragraph 3 of Article 25 (Mutual Agreement Procedure) of the Convention shall be stricken in their entirety.

(b) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) EXCHANGE OF INFORMATION.—The United States understands that, pursuant to Article 26 of the Convention, both the competent authority of the United States and the competent authority of the Republic of Slovenia have the authority to obtain and provide information held by financial institutions. nominees or persons acting in an agency or fiduciary capacity, or respecting interests in a person.

(c) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(d) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH ITALY

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Italian Republic for the Avoidance of Double Taxation with Respect to Taxes on Income and the Prevention of Fraud or Fiscal Evasion, signed at Washington on August 25, 1999, together with a Protocol (Treaty Doc. 106–11), subject to the reservation of subsection (a), the understanding of subsection (b), the declaration of subsection (c), and the proviso of subsection (d).

(a) RESERVATION.—The Senate's advice and consent is subject to the following reservation, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) MAIN PURPOSE TESTS.—Paragraph 10 of Article 10 (Dividends), paragraph 9 of Article 11 (Interest), paragraph 8 of Article 12 (Royalties), and paragraph 3 of Article 22 (Other Income) of the Convention, and paragraph 19 of Article 1 of the Protocol (dealing with Article 25 (Mutual Agreement Procedure) of the Convention) shall be stricken in their entirety, and paragraph 20 of Article 1 of the Protocol shall be renumbered as paragraph 19.

(b) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) EXCHANGE OF INFORMATION.—The United States understands that, pursuant to Article 26 of the Convention, both the competent authority of the United States and the competent authority of the Republic of Italy have the authority to obtain and provide information held by financial institutions, nominees or persons acting in an agency or fiduciary capacity, or respecting interests in a person.

(c) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(d) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH DENMARK

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on August 19, 1999, together with a Protocol (Treaty Doc. 106–12), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of

the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Convention requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

PROTOCOL AMENDING TAX CONVENTION WITH GERMANY

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Amending the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Estates, Inheritances, and Gifts signed at Bonn on December 3, 1980, signed at Washington on December 14, 1998 (Treaty Doc. 106–13), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPPREMACY OF CONSTITUTION.—Nothing in the Protocol requires or authorize legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

AMENDING CONVENTION WITH IRELAND

The resolution of ratificatioan is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Amending the Convention between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at Dublin on July 28, 1997 (the Amending Convention was signed at Washington on September 24, 1999) (Treaty Doc. 106–15), subject to the declaration of subsection (a) and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPREMACY OF CONSTITUTION.—Nothing in the Amending Convention requires or authorizes legislation or other action by the Unied States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

CONVENTION (NO. 182) FOR ELIMINATION OF THE WORST FORMS OF CHILD LABOR

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Convention (No. 182) Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, adopted by the International Labor Conference at its 87th Session in Geneva on June 17, 1999 (Treaty Doc. 106–5), subject to the understandings of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following understandings, which shall be included in the instrument of ratification:

CHILDREN WORKING ON FARMS.—The United States understands that Article 3(d) of Convention 182 does not encompass situations in which children are employed by a parent or by a person standing in the place of a parent on a farm owned or operated by such parent or person, nor does it change, or is it intended to lead to a change in the agricultural employment provisions or any other provision of the Fair Labor Standards Act in the United States.

BASIC EDUCATION.—The United States understands that the term ''basic education'' in Article 7 of Convention 182 means primary education plus one year: eight or nine years of schooling, based on curriculum and not age.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President.

TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall not be included in the instrument of ratification to be signed by the President.

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

EXTRADITION TREATY WITH KOREA

The resolution of ratification is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Extradition Treaty between the Government of the United states of America and the Government of Republic of Korea, signed at Washington on June 9, 1998 (Treaty Doc. 106–2), subject to the understanding of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification:

PROHIBITION OF EXTRADITION TO THE INTERNATIONAL CRIMINAL COURT.—The United States understands that the protections contained in Article 15 concerning the Rule of Specialty would preclude the resurrender of any person from the United States to the International Criminal Court agreed to in Rome, Italy, on July 17, 1998, unless the United States consents to such resurrender; and the United States shall not consent to the transfer of any person extradited to the Republic of Korea by the United States to the International Criminal Court agreed to in Rome, Italy, on July 17, 1998, unless the treaty establishing that Court has entered into force for the United States by and with the advice and consent of the Senate, as required by Article II, section 2 of the United States Constitution.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall not be included in the instrument of ratification to be signed by the President:

SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Mrs. BOXER. Mr. President, for several months, I have been working on a case with the South Korean government on behalf of a family in California.

The family, Mr. and Mrs. B.K. Cho, are concerned about actions taken against them in South Korea in 1984. At that time, the Cho family owned one of the largest construction companies in the country. The Cho family alleges that their holdings were illegally transferred to two other companies, Cho Hung Bank and Daelim Industries. They also accuse officials of the then Chun government of ordering this transfer.

Soon after their property was taken from them, the Cho family left for the United States. They have filed a lawsuit in California against Cho Hung Bank and Daelim Industries and their U.S. subsidiaries.

Because of the strong concerns I have about this case, I had asked that this particular treaty be delayed until I had

the opportunity to further explore this matter. One of the concerns raised by the family was that the Korean Ministry of Foreign Affairs and Trade (MOFAT) had not served the court petition to the Cho Hung Bank and Daelim Industries. I have now been assured that this action has been taken. I ask unanimous consent that a letter dated September 22, 1999 from the First Secretary of the Congressional Section of the South Korean Embassy be printed in the RECORD.

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

EMBASSY OF THE REPUBLIC OF KOREA,
Washington, DC, September 22, 1999.

Mr. SEAN MOORE,
Office of Senator Barbara Boxer,
U.S. Senate, Washington, DC.

DEAR MR. MOORE, in reference to my letter dated August 6, 1999, concerning the case of Mr. Cho Bong-Koo, I am pleased to inform you that, according to the Korean Ministry of Foreign Affairs and Trade (MOFAT), the Cho Hung Bank and the Daelim Industrial Company have each received a court petition at the end of August.

The Embassy has also learned that these two entities are planning to establish legal counsel to represent their interests regarding this lawsuit. As was mentioned in the attached letter dated August 24, 1998 and addressed to Senator Boxer, the Korean Government is of the view that any remaining questions in transferring the management of Samho in the 1980's should be settled through legal procedures in court.

I thank you again for your interests and concern.

Sincerely yours,

CHANG BEOM KIM,
First Secretary,
Congressional Section.

Mrs. BOXER. Mr. President, I also have received assurances from the South Korean Ambassador, Dr. Lee Hong-koo, that his government will not interfere with the pending court case and expresses hope that legal proceedings will be conducted as quickly as possible.

I ask unanimous consent that a letter to me dated November 5, 1999 from Ambassador Lee be printed in the RECORD.

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

EMBASSY OF THE REPUBLIC OF KOREA,
Washington, DC, November 5, 1999.

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

DEAR SENATOR BOXER, I would like to take this opportunity to express my appreciation for your support for the ratification of the U.S.-Korea Extradition Treaty.

I would also like to commend you on your efforts to assist your Korean-American constituent, Mr. Cho Bong-Koo, who has filed suit in the Los Angeles Superior Court against several Korean corporations.

I understand your concerns about this case and have considered it with the utmost gravity. Given our respect for the integrity of the U.S. legal system, it is inappropriate for the Embassy or any Korean government official to interfere in a case pending in your courts. However, in view of the long duration of this matter of concern to the Cho family, I remain hopeful that the legal proceedings will be conducted in a timely manner, so that the case may be resolved without delay.

Please be assured that I understand your endeavor to help ameliorate your constituent's concerns. As a public servant in a democratic government, I fully recognize the importance of your efforts. It is my belief that we will continue to work well together on future matters.

Sincerely,

LEE HONG-KOO,
Ambassador.

Mrs. BOXER. Mr. President, I support this treaty and will allow it to be cleared by the full Senate. I will continue to work with the Cho family and the South Korean government and hope that it can be resolved in a timely matter.

Mr. DOMENICI. Mr. President, I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the ratification of these treaties, please stand and be counted. (After a pause.) Those opposed will rise and stand until counted.

On this vote, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I am prepared to recite the closing script, but I understand the distinguished Senator from Alabama wants to be recognized.

The PRESIDING OFFICER. Does the Senator want to go through with that and just accept whatever statement the Senator from Alabama wishes to make?

Mr. DOMENICI. All right.

ORDERS FOR MONDAY, NOVEMBER 8, 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Monday, November 8. I further ask consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business, with Senators speaking for up to 5 minutes each, with the following exceptions: Senator THOMAS or designee, from 12 until 1 o'clock; Senator REID or designee, from 1 to 2 o'clock.

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

ORDER FOR RECORD TO REMAIN OPEN

Mr. DOMENICI. Pursuant to the agreement on S. 625, I ask unanimous consent that the RECORD remain open until 5 p.m. for the filing of amendments to the pending legislation.

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

PROGRAM

Mr. DOMENICI. Mr. President, for the information of all Senators, at 12 noon on Monday, the Senate will begin a period of morning business until 2 p.m. Following morning business, the Senate will resume debate on the bankruptcy reform legislation. By a previous consent agreement, the minority leader or his designee will be recognized at 3 p.m. to offer an amendment relative to the minimum wage, which will then be set aside so that the majority leader or his designee can be recognized to offer an amendment relative to business costs. Votes on these amendments have been set to occur at 10:30 a.m. on Tuesday, November 9.

The leader has announced that the first vote of next week will occur on Monday at 5:30 p.m. in relation to the bankruptcy bill. During the next week's session, the Senate will also consider the foreign operations appropriations bill, which has been received from the House, and any other appropriations bills that are available for action.

ORDER OF PROCEDURE

Mr. DOMENICI. I ask unanimous consent that the Senator from Alabama be granted permission to speak for up to 5 minutes.

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

Mr. SESSIONS. If the Senator will yield, I believe Senator WYDEN also wanted to make remarks for up to 10 minutes.

Mr. DOMENICI. All right. Which Senator?

Mr. SESSIONS. Senator WYDEN, before we adjourn.

Mr. DOMENICI. OK.

ORDER FOR ADJOURNMENT

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, except that there be time remaining for the distinguished Senator from Alabama, Mr. SESSIONS, and 10 minutes for Senator WYDEN.

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

The Senator from Alabama.

(The remarks of Mr. SESSIONS pertaining to the introduction of S. 1873 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. I ask unanimous consent at this point to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

MEDICARE COVERAGE OF PRESCRIPTION DRUGS

Mr. WYDEN. Mr. President, I have been coming to the floor now on a number of occasions, as we move toward the end of our work for this year, in an effort to try to build bipartisan support for ensuring that senior citizens can get prescription drugs under their Medicare.

There is one bipartisan bill now before the Senate. It is the legislation that Senator SNOWE and I have introduced together. Fifty-four Members of the Senate have voted for this bill. It seems so sad that the Senate cannot come together on an issue such as this and provide some real relief for the Nation's older people.

So as part of this effort to get bipartisan support for legislation to cover seniors for their prescription drug bills, I have come to the floor and urged seniors to send in copies of their prescription drug bills, to send in copies of their bills to all of us here in the Senate in Washington, DC. I hope that in doing that, it will help generate some awareness about how serious a problem this really is for the Nation's older people.

As I have done on previous occasions, I come to the floor to discuss some of these letters. This afternoon, I want to take a couple of minutes to talk about a handful of the letters I have received from senior citizens in my hometown of Portland. We have read from letters from seniors across the State of Oregon in the past. Today, I thought I would look to my hometown and describe a little bit about what the seniors are faced with in terms of trying to pay these prescription bills.

One elderly widow wrote me in the last couple of days from Portland to describe her situation as one where she has a monthly income of $806. She spends about $150 of that monthly income on her prescriptions. She indicates she is having problems paying for these very large prescription drug bills. When asked by our staff what she does in a situation such as this, she just said: I do without and pray. That was her response to the question of making sure she could get help with her prescriptions. She goes on to say, when we asked her about choosing between food and fuel and health care—we have literally millions of our Nation's seniors today walking on an economic tightrope, balancing these costs, medical bills against their fuel bills. When we asked her how she handled the situation with respect to her medicine, she said: I just wait. I always pay the utilities first.

Now, this isn't some kind of statistic or abstract kind of matter that the think tanks are debating here in the beltway. This is a senior citizen back home in Portland, my hometown. She has a monthly income of $806. She spends $150 of it on her prescription medicines. When she can't afford her prescriptions, she writes me: I just do without and pray.

How is it that a country as rich and strong and powerful as ours can't provide some relief to an elderly widow with an income of $806 a month, spending more than $150 of it on her prescriptions and literally having to pray she will get some help with her medical bills? How is it that our country, so strong and so good, can't come up with a plan to help an elderly widow such as this?

Senator SNOWE and I are part of a bipartisan team trying to address it. The Snowe-Wyden legislation has garnered 54 votes on the floor of the Senate in terms of its funding plan. Already a majority of the Senate is on record as saying this is an appropriate way to try to fund a prescription drug benefit for older people. I am concerned—this is right at the heart of the philosophy behind the Snowe-Wyden legislation—that if we don't act, and act in a bipartisan way, in this session of the Congress before we wrap up our business next year, it will be years before older people get some help with their prescription drugs.

I am very often asked at town hall meetings and other gatherings whether our Nation can afford to cover prescription drugs. My view is, we cannot afford not to cover these prescription drugs. Not only are we hearing about the suffering in these letters I keep bringing to the floor of the Senate, but we are seeing in so many instances that if older people could get just a little bit of help with their prescription drug costs, that would help our country save much more expensive medical bills down the road.

I have repeatedly cited on this floor the anticoagulant drugs. That seems to me a particularly good example. The evidence shows that if older people can get help with some of these anticoagulant medicines—the cost might be $1,000 a year for help with anticoagulant medicines—they could save the cost they might incur if they suffer a stroke as a result of not getting their medicines. Those costs can be upwards of $100,000 a year. That is, in effect, the kind of challenge with which we are faced. Either we address this issue on a bipartisan basis—that is what the Snowe-Wyden legislation is all about—or we continue to have our senior citizens suffering, whether it is in Alabama, Oregon, or any other State. This is an area where we can work in a bipartisan way.

In the Snowe-Wyden legislation, we reject price controls. This isn't a run from Washington, one-size-fits-all Federal approach. We try to use marketplace forces, the ingenuity of the marketplace to give senior citizens some clout. It is a model we all know something about. Federal employees in Alabama and Oregon use the Federal Employees Health Benefits Plan. It is marketplace oriented. It gives folks choices and options and alternatives. That is the model behind the Snowe-Wyden legislation.

Our bill is called SPICE, the Senior Prescription Insurance Coverage Equity Act. With a majority of the Senate already having voted for a funding plan for the program, we think that is the way to proceed.

As seniors hear us on the floor of the Senate talking about this issue and urging that folks send us copies of their prescription drug bills to the Senate in Washington, DC, they may have other ideas than the Snowe-Wyden legislation. The important thing is, there is no reason this Senate cannot come together in a bipartisan fashion and act in a way to provide real and meaningful relief to the Nation's older people.

I will cite another couple of examples of older people who have been writing us in recent days. An elderly gentleman from Portland, again, describes taking five drugs, a lot of them very familiar—Minocin, nitroglycerin for blood pressure, for heart ailments connected with diabetes. This gentleman has a monthly income of about $900. He is spending about $170 from his monthly income on prescriptions.

We talked to him about what it means for him to be in this kind of financial crunch where, out of a monthly income of $900, $170 of it goes for prescriptions. He reports that if he could have a little bit of help with his prescriptions, he would have money for other things he describes as clothing.

So we are not talking about seniors getting help with their prescriptions and then suddenly using it for some sort of luxury or something that might be considered nonessential. These seniors are talking about not having enough money to pay for essentials. When they can't get help for their prescription drugs, such as this elderly gentleman in Portland, this gentleman said, in effect, he can't afford his clothing. He cannot afford clothing.

Of course, that, to some extent, is a health-related kind of matter because older people are susceptible to illness. This is getting to be the colder part of the year. These are folks who, if they can't get adequate clothing, may pick up illnesses as a result of not being able to afford warm clothes.

What we are talking about may not be of great importance to some of these think tanks in Washington. I have seen they are putting out all kinds of reports that this is not all that important to seniors. I talk to senior citizens at home in Oregon. The seniors we are

talking to know these are real problems. What they want to see is the Senate deal with them in a bipartisan kind of fashion. They want to see us get beyond some of the bickering and the finger pointing.

The Snowe-Wyden legislation is built on that principle. We don't want to see the U.S. Senate duck this issue, have it go out on the campaign trail where Democrats will attack the Republicans and Republicans will attack back. That is really easy. It is easy to take issues like this, using the campaign fodder for advertisements. What is tough is crafting bipartisan legislation.

So I am very hopeful that seniors, as this poster says, will send in copies of their prescription drug bills to us here in the Senate in Washington, DC. Instead of having to come to the floor of the Senate day after day, as I have, I can come to the floor of the Senate and talk about being proud of working with my colleagues on a bipartisan basis to address this issue.

Before I wrap this up for this afternoon, I wanted to mention one other account that came to Tualatin just outside Portland at home in Oregon. This was an elderly couple, they spend about $300 a month on their prescription drugs. They are taking 11 prescriptions. They report that they are retired but are trying to work to pay for prescriptions. The husband is over 65 and he is trying to work now in order to pay their prescription drug bills of $300 a month. This is an elderly couple in Tualatin, OR. None of it is covered by health insurance. They report to us that they are cutting down on other essentials that are important to them, but they are going to keep working. The husband is going to keep working simply to pay the couple's prescription drug bills.

Think about that for a moment, the three cases I have read from today: An elderly widow who can't pay her prescription drug bills without great hardship with an income of $806 a month, with $150 for prescriptions. She says, ''I just do without and pray.'' Next is an elderly gentlemen from Portland, with a monthly income of $900 a month, and he is spending about $170 of it on prescription drugs. He says he hopes to be able to get some coverage so he would be able to afford some clothing —an essential, especially as we move into the cold weather season. And then, finally, is the couple I just mentioned with $300 a month in prescription drug bills, with the husband not in good health but continuing to work solely to pay for their prescriptions.

I think it is so sad that when we have had a majority in the Senate go on record as voting for a plan to fund this important benefit for the elderly, when I know there are Senators of good will on both sides of the aisle who would like to work on a marketplace solution to covering prescription drugs for seniors, the Senate can't come together and deal with it. The fact is, our senior citizens are getting creamed with respect to their prescription drug bills, and it happens two ways. First, Medicare never covered prescriptions when the program began in 1965. I guess the architects didn't think it would be all that important.

As I have said on the floor of the Senate, it is more important today than it used to be because many of these drugs help to lower bills because they are preventive in nature. In addition to Medicare not covering prescriptions, what is happening today is if you are a senior citizen in Alabama, or in Oregon, and you walk into a drugstore in a small town in Oregon or in the State of the Presiding Officer, that senior citizen who walks into the drugstore, in effect, subsidizes the big buyers of medicine. If you are a health maintenance organization in Oregon, or in any other State, you can go out and negotiate a discount. You can go out and negotiate a good price on your medicine. You have clout in the marketplace. But if you are a senior citizen who just walks into a drugstore, you don't have any bargaining power, you don't have any clout. So, in effect, that senior citizen who walks into a pharmacy is subsidizing the big buyers in the community, the health maintenance organizations that can negotiate a discount. Those seniors are getting creamed twice. Medicare doesn't cover it, and then they have to subsidize the big buyers.

So I intend to keep coming to the floor of the Senate, continuing to bring to light these various kinds of real-life examples from home in Oregon. I hope seniors, as this poster indicates, will send us copies of their prescription drug bills. I want to hear from them. I want folks who are listening to the work of the Senate and are following this to send me and my colleagues copies of your prescription drug bills. Send it to us, each of us here, as the poster says, in Washington, DC.

I want you to do it for just one reason: I think this is the kind of problem that we are sent here to deal with. This is not some trifling, inconsequential matter. This is a question of whether we are going to respond to the more than 20 percent of the Nation's senior citizens who are walking on an economic tightrope every year, spending more than $1,000 a year out-of-pocket on prescriptions, balancing food costs against fuel costs, and fuel costs against their medical costs. As I have said again and again, they are giving up medicines that are essential to their health.

I mentioned yesterday older people with diabetes who can't afford the Glucophage, an essential diabetes drug. This is not something that is inconsequential; this is something that, for older people, can literally mean the difference between decent health or incurring a very, very serious illness and, often, even death.

Let us not be indifferent to the plight of those older people. They are asking the Senate for action. The bipartisan Snowe-Wyden legislation is one approach that I happen to favor. But I am sure our colleagues have other ideas. What is unacceptable to me, though, is to just say that this Senate won't take it up, we will save it for the campaign trail of 2000, we will tackle it another day. We ought to tackle it now. This has been an issue and a concern of the Nation's older people since back in the days when I was director of the Gray Panthers at home in Oregon. But it is getting to be an even bigger concern because more and more older people can't afford their medicine, and with more seniors interested in wellness and trying to stay healthy, this is the time for the United States Senate to act.

So I intend to keep coming back again and again to the floor of the Senate, and I hope seniors will send in copies of their prescription drug bills. I am proud there is a bipartisan bill now before the Senate to deal with this issue, the Snowe-Wyden legislation. I hope that seniors will be in contact with us, give us their ideas on whether they think our bill is the way to go, or if they prefer another route. What is unacceptable to me is for the Senate to duck this issue. We have an opportunity to work in a bipartisan fashion on it. I intend to keep coming back to the floor of the Senate again and again until we get that action.

With that, I yield the floor.

ADJOURNMENT UNTIL MONDAY, NOVEMBER 8, 1999

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned.

Thereupon, the Senate, at 3:48 p.m., adjourned until Monday, November 8, 1999, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 5, 1999:

DEPARTMENT OF DEFENSE

CORNELIUS P. O'LEARY, OF CONNECTICUT, TO BE A MEMBER OF THE NATIONAL SECURITY EDUCATION BOARD FOR A TERM OF FOUR YEARS.

ALPHONSO MALDON, JR., OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

JOHN K. VERONEAU, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

GEN. JOHN P. JUMPER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. GREGORY S. MARTIN, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BRUCE A. CARLSON, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. STEPHEN B. PLUMMER, 0000.

IN THE ARMY

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. WILLIAM F. SMITH III, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general, Medical Corps

COL. LESTER MARTINEZ-LOPEZ, 0000.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING JOSEPH A. ABBOTT, AND ENDING THOMAS J. ZUZACK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 27, 1999.

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JOEL R. RHOADES, 0000.

IN THE NAVY

NAVY NOMINATIONS BEGINNING GEORGE R. ARNOLD, AND ENDING TODD S. WEEKS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 18, 1999.

IN THE ARMY

ARMY NOMINATIONS BEGINNING CELIA L. ADOLPHI, AND ENDING WILLIAM K. WEDGE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 27, 1999.

EXTENSIONS OF REMARKS

IN HONOR OF EMBIE R. BOSTIC

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor of Mr. Embie R. Bostic as he is recognized for his outstanding achievements and humanitarian contributions to the community by the Ecclesiastes Lodge No. 120.

Embie R. Bostic is a dedicated citizen of the city of Cleveland where he was born and raised. He is a member of St. John A.M.E. Church where he has been a Steward for the past fifteen years. Embie embodies a strong faith and belief in God and will eagerly tell anyone his personal belief that ''we should treat one another as we desire to be treated, and each day we need to rededicate our lives to our Lord and Savior Jesus Christ''.

In November of 1998, Embie received an award for Employee of the month from the city of Cleveland for his commitment to responsibility and going beyond the call of duty. Embie Bostic is dedicated to his family, job and community. He gives of himself to the fullest in every endeavor. He eagerly shares the knowledge of his profession with the students of the public school systems on their career day in addition to holding story hours with some of the younger students. Embie Bostic entertains the students as well as illustrates moral principles and character.

Mr. Embie R. Bostic is an outstanding and inspirational individual. It is an honor for me to acknowledge his notable accomplishments and achievements among my distinguished colleagues.

COPS AND METRO ALLIANCE CELEBRATE 25 YEARS OF SUCCESSFUL POLITICAL ACTION

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. RODRIGUEZ. Mr. Speaker, I am truly honored to recognize the 25th anniversary of the founding of an organization that changed the political landscape in San Antonio, across Texas and the Nation. From the alleys of San Antonio's poorest South and West Side neighborhoods, people of faith and conviction came together a quarter century ago to form Communities Organized for Public Service, or COPS.

COPS, and later its sister organization, Metro Alliance, entered the scene at a time when the largely minority, poor communities of San Antonio did not have a voice at the table. Frustrated by inaction, and worse by a lack of attention from the establishment leadership, COPS and Metro Alliance became the voice of the unheard, the mouth of those who were ignored.

COPS and Metro Alliance draw their strength from the people and institutions that make up the local neighborhoods: churches, schools, and other community-based organizations. We hear a great deal of talk today about the need for faith-based groups to take responsibility, but the truth of the matter is that COPS and Metro Alliance long ago accepted that challenge. The result has been a thousand victories, each one building on the last, with more than 40 religious congregations working together.

COPS first set out to repair the imbalance in distribution of funds for city improvements. They rightly demanded that poor neighborhoods deserved flood control and street improvements. Later COPS fought in the battle to bring single-member districts to San Antonio, helping end the legacy of a system that did not adequately seat minorities, who by this time were a majority of the local population, at the table of power.

In recent years, COPS and Metro Alliance, recognizing that education is the cornerstone of any future success, focus their energies on job training and early childhood education. Project QUEST and the San Antonio Education Partnership are models for improving the lives of communities one person at a time.

The positive impact of these organizations reaches far beyond the banks of the San Antonio River. By joining with the Industrial Areas Foundation, sister groups began to spring forth across Texas, and then other areas of the country. From city to city, the basic principles were established—that local communities could organize themselves to create a political force that could not be ignored.

Today, similar organizations exist in Dallas, El Paso, Houston, the Rio Grande Valley, and communities in New Mexico, Arizona, Louisiana, Nebraska, Iowa, and southern California. On November 7, delegates from each of these areas, some 5,000 in number, will convene in San Antonio to celebrate 25 years of successful political action on behalf of the less fortunate. Their work has improved the living and working conditions of countless thousands of low- and moderate-income families.

All my colleagues in the House of Representatives should be proud of the work performed by COPS, Metro Alliance, and their sister organizations across the country. Ordinary people doing extraordinary work is the best way to describe them. I am proud to share in their accomplishments and look forward to years of future growth and success.

''WATER 2000''

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. PHELPS. Mr. Speaker, I rise today to pay tribute to the Hamilton County Water District and to bring attention to the ''Water 2000'' celebration taking place on November 12, of this year, at the Veterans of Foreign Wars Hall in McLeansboro, Illinois. The Hamilton County Water District will be the first water district in Illinois, and one of the first in the nation, to supply all rural residents who desire water during the year 2000.

Prior to the formation of the Hamilton County Water District in 1978, the population centers in that region had treated waters, but the rural residents depended upon wells, cisterns, or ponds as a source of water. The Hamilton County Water District realized this inequity, and pushed forward to supply these residents with suitable drinking water on par with their more urban counterparts. In the coming year, the final ''Water 2000'' expansion by the Hamilton County Water District, will complete a total 350 miles of water mains that will serve 1,230 rural customers. Funding for these various expansions include U.S. Department of Agriculture, U.S. Economic Development Association, the Illinois Department of Commerce and Community Affairs, the Illinois Department of Natural Resources and the Illinois Rural Bond Bank.

Mr. Speaker, I am especially pleased about the ''Water 2000'' celebration and what it stands for. I come from a rural part of the country, where many rural residents sometimes lack basic services such as potable water, that many Americans in more urban areas take for granted. This great accomplishment by the Hamilton County Water District, and all the agencies and individuals who worked to this goal, is one worthy of commemoration in the CONGRESSIONAL RECORD, and a milestone for rural residents all over this country.

TRIBUTE TO GENERAL ANDREW T. MCNAMARA

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MORAN of Virginia. Mr. Speaker, General McNamara was the first Director of Defense Supply Agency (DSA, now DLA), 1961–1963. As Director, he distinguished himself as an innovator in developing ways to support the troops at the least cost to the taxpayer. His efforts in standardizing DSA managed items earned him the First Oak Leaf Cluster to the Distinguished Service Medal for exceptionally meritorious service for his leadership as Agency Head.

He established a Cost Reduction Program to prove that DSA could maintain effective supply support to the Armed Forces at less cost to the taxpayer. In FY63, the program saved $61.8M in direct cost and approximately an additional $261M in inventory draw down. That program laid the groundwork for DLA's current better, faster, lower cost logistics solutions.

He was instrumental in introducing a wholesale distribution system for assigned supplies

which provided an integrated network of distribution facilities for all DSA commodities to be operated under uniform procedures, the basics of which are still used today.

He established the Logistics Readiness Center (LRC) during the Cuban crisis, which provided an overall focal point with the Agency for efficient, economical, and responsive support of the Military Services and unified commands emergency and contingency operations. Today, the LRC is an integral part of DLA's emergency operations and played a vital role in supporting the efforts in Bosnia, Desert Storm, and Haiti.

Other awards:

Legion of Merit (England) for exceptional service in providing Quartermaster supplies to U.S. forces in Tunisia and for adapting Quartermaster transportation facilities to move troops and ammunition.

Bronze Star Medal for his part in planning the invasion of Normandy.

Distinguished Service Medal for directing Quartermaster operations of the First Army during its drive across France, Belgium and Germany.

At 94 years old, renaming the HQ Complex in his honor would be a living tribute to someone who has distinguished himself as a pioneer in Defense supply management as well as a distinguished member of the Armed Forces.

TRIBUTE TO MARY LOU TULLOS GARCIA

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ORTIZ. Mr. Speaker, I rise today to commend and pay tribute to Mary Lou Tullos Garcia of Harlingen, a woman who does the most important work in our society, teaching our children. Mary Lou has been selected as the recipient of the National Mujer Award by the National Hispana Leadership Institute (NHLI).

The Mujer Award pays tribute to the sustained lifetime achievement of a woman of Hispanic descent who has made significant contributions to the empowerment and well-being of the Hispanic community. Last year's winner of this award was Dr. Antonia Novello, former Surgeon General of the United States.

Mary Lou was chosen for this award for her dedication and her work improving the schools and schooling for the severely and profoundly disabled children and youth and for tending to the needs of their families. NHLI, in conferring the award, said that Mary Lou exemplified the vigor and strengths of ''La Mujer Latina.''

The NHLI also says that the award recognizes a woman of Hispanic descent who has served her community well, and acted with justice, love and the deepest of pride in her culture.

I am enormously proud of Mary Lou Tullos Garcia for her commitment during her lifetime to those less fortunate than many of us. Our educators in this country are always my heroes because of the hard work they do every single day to teach the next generation of Americans.

But, today I am particularly proud of Mary Lou for her dedication to teaching those who are the hardest to teach, and sometimes the hardest to each. The Harlingen community is richer for her presence in the public schools. The lives and families she has touched have benefitted mightily from her work. She indeed embodies the attributes of a Hispanic woman who labors every day, without credit, to make better the community in which she lives.

National Hispana Leadership Institute is the only leadership development program in the United States focusing exclusively on the development of Hispanic women who are leaders. It prepares Hispanic women for positions of national influence, public policy and advancing the national Hispanic community.

The awarded will be conferred at a black-tie gala on Friday, November 12, at the Walt Disney World/Epcot Center in Orlando, Florida. I ask my colleagues to join me in commending Mary Lou Tullos Garcia for receiving this prominent award.

HONORING BERNA DALLONS

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to inform my colleagues of an outstanding constituent who has spent most of her life dedicated to higher education. Ms. Berna Dallons has been named benefactor of the year by the Council for Resource Development for her significant contributions to resource development at Cuesta College. Recipients of this award embody the ideals of philanthropy, leadership, and volunteerism in their service to the nation's 1,200 community, technical and junior colleges.

As a longtime community leader, educator, and member of the Foundation Board of Director, Ms. Dallons led Cuesta's first ever capital fund drive, after serving on the College's Blue Ribbon Site Selection Committee. In July 1996, Ms. Dallons, with her husband John, offered the college a lease option for land for the North County Campus, and over the next three years, personally contributed over $250,000 to the Campaign for Cuesta. As a volunteer leader, Berna Dallons led the charge to build a North County Campus with the support of 2000 volunteers, raising more than $2,000,000 in two years for a campus serving 2,000 students.

Mr. Speaker, Berna has taken community service to the highest level. I applaud the National Council for Resource Development on its choice for this award and I feel so privileged and proud to have this opportunity to recognize Ms. Dallons on behalf of the United States Congress. Berna, I commend you for your service to the community that we share and to our Nation.

WTO MINISTERIAL CONFERENCE

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. VISCLOSKY. Mr. Speaker, under Article I, Section 7 of the Constitution, the House of Representatives has the authority to originate revenue provisions; not the Senate, the Administration, or the U.S. Trade Representative. Later this month, the United States will host a Ministerial Conference of the World Trade Organization (WTO) in Seattle, Washington. The Ministerial is expected to launch a new round of multilateral trade negotiations, based on a ''built-in agenda'' established in the Uruguay Round agreements which Congress ratified in 1994. That build-in agenda, which I wholeheartedly support, includes revisiting the existing WTO rules for agricultural trade, services trade, and intellectual property protection. Many of our trading partners have indicated that they would like to reopen the five year old agreement on Antidumping (AD) and Countervailing Duty (CVD) laws. By not giving the Administration the clear message from Congress that AD and CVD laws are not to be placed on the table for negotiations, we are essentially allowing the Administration to act on authority it does not have.

Dumped products are levied a tariff under existing U.S. law. These tariffs are revenue raisers which are paid directly to the U.S. Treasury. By allowing negotiations to be made which weaken our trade laws and let in more dumped products, the House would be turning over power to the Executive Branch given to it exclusively under the Constitution. Trade agreements and international treaties, as signed by the Administration, are binding under international law, whether or not they are approved by Congress. Article 6 of the original General Agreement on Tariffs and Trade (GATT), signed in 1947, declares that dumping ''shall not be condoned.''

This resolution has privilege because only the House has the authority to alter existing revenue provisions. Allowing the Administration to negotiate AD and CVD laws would further diminish the loss of constitutional power the House has suffered over time. Strong antidumping and antisubsidy rules are a cornerstone of the liberal trade policy of the United States and are essential to the health of the manufacturing and farm sectors in the United States. Abolishing AD and CVD would remove these sectors from the U.S. economy, and lead to economic disaster.

Additionally, according to Article I, Section 8 of the Constitution, the Congress has the power and responsibility to regulate foreign commerce and the conduct of international trade negotiations. An important part of Congress' participation in the formulation of trade policy is the enactment of official negotiating objectives against which completed agreements can be measured when presented for ratification.

Congress exercised that power in 1994 when it ratified the agenda for the Seattle WTO Ministerial, which included agricultural trade, services trade, and intellectual property protection. The agenda, enacted into Federal Law as P.L. 103–465, did not include antidumping or antisubsidy rules. More than 225 Members of Congress are concerned that a few countries are seeking to circumvent the agreed list of negotiation topics and reopen debate over the WTO's antidumping and antisubsidy rules. Congress has not approved new negotiations on antidumping or antisubsidy rules and has clearly, but so far informally, signaled its opposition to such negotiations. It has long been and remains the policy of the United States, as well as the international community, to support its antidumping

and antisubsidy laws and to defend those laws in international negotiations. In fact, Article 6 of the original General Agreement on Tariffs and Trade (GATT), signed in 1947, declares that dumping ''shall not be condoned.''

Furthermore, Section 702 of House Rule IX, entitled ''General Principles,'' concluded that certain matters of business arising under the Constitution mandatory in nature for the House have been held to have a privilege which superseded the rules establishing the order of business. This is a question of the House's Constitutional authority and is therefore privileged in nature. In the 105th Congress, the House ruled favorably on a measure which contained a constitutional question similar to the one before it now. On March 5, 1998, the House held that H. Res. 379, a resolution which stated that only the House had the authority to originate a revenue provision, had privilege under Rule IX, and then approved the resolution. This resolution was in response to a Senate measure which infringed upon the House's constitutional duty by repealing a revenue provision and replacing it with a user fee. H. Res. 379 had privilege before the House because the Senate provision was a revenue reducing measure. The question of privilege currently before the House concerns the same principle. A trade agreement signed by the President commits the United States and is binding under international law, even if the Congress never ratifies it. Eliminating or weakening AD or CVD laws would reduce United States Treasury receipts, thus reducing overall revenue. If these laws are placed on the table for negotiations, it would give the Administration the authority to commit the United States to agreements under power it does not have. For these reasons, my motion has privilege.

The WTO antidumping and antisubsidy rules concluded in the Uruguay Round have scarcely been tested since they entered into effect and certainly have not proved defective. Opening these rules to renegotiation could only lead to weakening them, which would in turn lead to an even greater abuse of the world's open markets, particularly that of the United States. Avoiding another divisive fight over these rules is the best way to promote progress on the other, far more important, issues facing WTO members; and it is therefore essential that negotiations on these antidumping and antisubsidy matters not be reopened under the auspices of the WTO or otherwise. Under present circumstances, launching a negotiation that includes antidumping and antisubsidy issues would affect the rights of the House and the integrity of its proceedings.

A precedent exists for bringing H. Res. 298 out of committee and to the House floor immediately. On October 26, 1999, H. Con. Res. 190 was brought to the floor under suspension of the rules because it concerned the upcoming Seattle Round. This measure only had 13 co-sponsors, while H. Res. 298 has 228 cosponsors. The majority of the House should be heard.

Two hundred and twenty-nine Members of the House of Representatives call upon the President: not to participate in any international negotiation in which antidumping or antisubsidy rules are part of the negotiating agenda; to refrain from submitting for congressional approval agreements that require changes to the current antidumping and countervailing duty laws and enforcement policies of the United States; and to enforce the antidumping and countervailing duty laws vigorously in all pending and future cases.

Mr. Speaker, this debate today is not about the merits of my resolution, nor is it about the 228 cosponsors who would like to see this matter resolved before the House. My question of privilege regards the sanctity of our proceedings as a House. The U.S. Constitution conveys upon this body the power to originate revenue provisions. It is not only our responsibility, it is our duty and obligation to send a clear message to the Administration that the United States House of Representatives will not weaken its trade laws. We need to live up to our obligations.

Mr. Speaker, since a majority of the Members of this House have signed onto the original resolution as cosponsors, I ask the Speaker to recognize any Member wishing to speak on the resolution.

HONORING THE SUFFOLK COUNTY AHRC

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. FORBES. Mr. Speaker, I rise today to express my warmest wishes and congratulations to the Suffolk County Chapter of the Association for the Help of Retarded Children and to its honorees; Robert R. McMillan and Marvin L. Colson. Over the last 50 years, the Suffolk County AHRC has dedicated itself to providing educational and vocational training to both children and adults with disabilities. It gives these children and adults unique opportunities that they may otherwise have never been exposed to, and it focuses on improving all aspects of their lives. The AHRC's commitment to people with disabilities has helped and will continue to ensure that they are provided with the best care and training to further enhance their lives, and its exemplary record should serve as a shining example for all other such organizations.

This year's honorees have also proven their commitment to Long Island and people with disabilities and should be commended for their work. As the founder and chairman of the Long Island Housing Partnership, Inc., Robert R. McMillan has been devoted to creating affordable housing. As the director of the Long Island Development Disabilities, Marvin L. Colson has dedicated over 26 years to serving the disabled. Once again, I would like to congratulate and thank the AHRC and its honorees for all they have done for Suffolk County.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. MYRICK. Mr. Speaker, I missed 3 recorded votes on November 1, 1999 while I was working in my district. If I had been present, I would have voted as follows:

Rollcall vote 552, on the motion to suspend the rules and pass H.R. 1714, Electronic Signatures in Global and National Commerce Act, I would have voted ''yes''.

Rollcall vote 551, on the motion to suspend the rules and pass H.R. 2737, the Land Conveyance, Lewis and Clark National Historic Trail, I would have voted ''yes''.

Rollcall vote 550, on the motion to susped the rules and pass H.R. 348, to authorize a national civil defense and emergency management memorial, I would have voted ''yes''.

THE LITERACY INVOLVES FAMILIES TOGETHER ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GOODLING. Mr. Speaker, today I am introducing a bill to improve programs for family literacy, better known as LIFT (Literacy Involves Families Together). The purpose of this legislation is to improve the quality of services provided under the Even Start Family Literacy Program and other Federal programs providing family literacy services.

As the author of the Even Start Family Literacy Program when it was first enacted in 1988, I want to be sure that the services provided to program participants are of the highest quality. Family literacy programs that are intensive and provide participants with high quality services are a very effective means of breaking the cycle of illiteracy that occurs in many families.

As we all know, parental support is instrumental to a child's academic success. Unfortunately, there are many parents who are unable to support their child's education because they themselves have dropped out of school or have a low level of literacy. Family literacy programs provide adult education services to parents and, at the same time, help ensure that their children do not fall behind in school. By working with parents and children at the same time, family literacy programs have successfully helped parents reduce their dependency on Federal assistance, obtain employment, or even advance in their current jobs. For children, the picture is just as bright. Children who participate in family literacy programs with their parents perform well in school.

Mr. Speaker, the legislation I am introducing will improve family literacy programs through several important changes to current law. For example, this legislation would authorize and provide funding for a research project to find the most effective ways to improve literacy among adults with reading difficulties. The National Institute for Child Health and Human Development has provided us with high quality scientific research on the best method for teaching children to read and the bill requires instructional programs for children to be based on scientifically based reading research. Unfortunately, there is no comparable body of research on teaching reading to adults. And yet, the statistics on adult illiteracy in this country are staggering.

According to the National Adult Literacy Survey, 40 million adults, or 20 percent of the U.S. adult population, scored at the lowest of five levels of literacy. In real terms, this means that 40 million adults struggle to maintain good jobs, have a difficult time supporting their children's education, and have poor participation

rates in community activities. In order to have high quality family literacy programs, we need to ensure the instruction provided to both adult and child participants is based on sound scientific research on reading. By authorizing research on how adults learn to read as a part of this legislation, we are taking a positive step in this direction.

In addition, the LIFT Act would help raise the quality of family literacy programs by allowing States to use a portion of their Even Start dollars to provide training and technical assistance to Even Start providers. States would provide such training through a grant, contract, or other agreement with an organization experienced in providing quality training and technical assistance to family literacy instructors. States could not, however, reduce the level of service to program participants in order to provide such training and technical assistance.

The LIFT Act would also permit Even Start projects to operate for more than 8 years. I have heard from many projects that they will have difficulty continuing to operate once Federal support for their project is totally eliminated. As such, the LIFT Act would allow projects to receive Federal support for more than 8 years, but would reduce the level of support to 35 percent of the cost of operating the project. States would, however, be able to eliminate funding for any project if it did not meet program goals and State indicators of program quality.

The final change I want to highlight is a provision which would focus additional program dollars on high needs populations. Once funding for the Even Start Family Literacy Program reaches $250 million, a total of 6 percent of funding would be reserved to serve migrants and Native Americans. These are some of our most vulnerable families and I believe it is most appropriate to use additional funds to serve their needs. At the present time, a total of 5 percent of program dollars are reserved for Even Start projects for migrants and Native Americans.

Mr. Speaker, these are but a few of the highlights of this important legislation. Its enactment will ensure the long-term success of Even Start and other family literacy programs operated with Federal funds by providing for quality improvements. I urge my colleagues to join me in support of this legislation.

HONORING UAW LOCAL 599'S 60TH ANNIVERSARY AND THE RECIPIENTS OF THE ''WALTER P. REUTHER DISTINGUISHED SERVICE AWARD''

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. STABENOW. Mr. Speaker, I am pleased to recognize the 60th anniversary of UAW Local 599 which will be celebrated on November 6, 1999, and the men and women who will receive the ''Walter P. Reuther Distinguished Service Award.''

The same solidarity that began in 1937 and 44 days later resulted in the first major industry wide contract in the United States is still thriving today. During those 44 days and nights the members of the fledgling UAW and the Flint community forged an alliance which has endured for the past 60 years. The brothers and sisters of Local 599 continue to give back to the community that played such a pivotal role in their success. Local 599 has collected over $1 million to help provide community residents with shelter, food, clothing, and medical care. They have coordinated the Marine Toys For Tots program which has given 10,000 children the overwhelming joy and excitement of a Christmas morning surprise for the past 10 years. The list of organizations to which they have given is long and includes the United Way, Easter Seals, American Cancer Society, Good Will, and the Salvation Army.

The ''Walter P. Reuther Distinguished Service Award'' is being presented to Robert Aidif, David Aiken, Dale Bingley, Dennis Carl, Jesse Collins, Russell W. Cook, Harvey ''Whitey'' De Groot, Patrick Dolan, Larry Farlin, Maurice ''Mo'' Felling, Ted Henderson, Ken Mead, Frank Molina, Shirley Prater, Gene Ridley, John D. Rogers, Dale Scanlon, G. Jean Garza-Smith, Robbie Stevens, Nick Vukovich, Jerry Ward, Greg Wheeler, Don Wilson, Tom Worden, and James Yaklin in recognition of 20 years of recorded service in an elective office in the local union. These individuals have served their union brothers and sisters of UAW Local 599 and their communities with unparalleled devotion and perseverance.

I would like to thank the men and women receiving the ''Walter P. Reuther Distinguished Service Award'' for their contributions and UAW Local 599 for 60 years of solidarity not only within the plant, but throughout the community. The union brothers and sisters of UAW Local 599 epitomize the values that have made our Nation great.

WOMEN'S HEALTH AND CANCER RIGHTS CONFORMING AMENDMENTS OF 1999

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. KELLY. Mr. Speaker, I rise today to introduce the Women's Health and Cancer Rights Conforming Amendments of 1999. This bill is a technical correction to legislation adopted by Congress last year that ensures reconstructive surgery coverage for all stages of reconstruction, including symmetrical reconstruction, for breast cancer patients.

In the last Congress I introduced H.R. 616, the Women's Health and Cancer Rights Act of 1998. A specific provision of this bill that requires coverage for reconstructive procedures after breast cancer surgery was passed into law in Title IX of the Omnibus Budget Bill. While passage of last year's legislation was a wonderful step forward, a loophole has been identified which seriously weakens the intent of this legislation. The bill I am proposing would correct this flaw by conforming the Internal Revenue Code of 1986 to the requirements consistent with the Women's Health and Cancer Rights Act. This change would provide a civil monetary penalty against those health plans who fail to provide coverage for breast reconstruction following mastectomy or other breast cancer surgery.

There is indeed precedence for such a technical correction. Similar corrections were made to the Internal Revenue Code as part of the Taxpayer's Relief Act of 1997 to ensure compliance to the Mental Health Parity Act of 1996 and the Newborns' and Mothers' Health Protection Act of 1996. The correction I am seeking today is like these and would ensure compliance to the Women's Health and Cancer Rights Act of 1998.

Studies have documented that the fear of losing a breast is a leading reason why women do not participate in early breast cancer detection programs. Now that coverage is guaranteed for reconstructive surgery following breast cancer surgery, it is time to put the teeth in that language and hold health plans accountable for providing that coverage. As we continue this month of Breast Cancer Awareness, let us make this important correction to ensure the best possible support for breast cancer victims.

CONCERN WITH THE NEXT ROUND OF THE WTO AND TRADE LIBERALIZATION

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. FALEOMAVAEGA. Mr. Speaker, the prospect of a ''Millennium Round'' of trade liberalization is inspiring heated debate both within the United States and the international community. While further liberalization could bring new opportunities for growth, there is much evidence that the costs of free trade have thus far outweighed the benefits for the majority of the world's people.

Mr. Speaker, if the United States is to maintain its commitment to strengthening democracy domestically and abroad, and to improving the quality of life for all its citizens, it is imperative that a thorough review of WTO policies and procedures be undertaken. Too many questions remain about the effects of trade liberalization—as illustrated by our Nation's mixed experience with NAFTA—and the United States should not rush blindly into a new round of WTO negotiations.

On this timely subject, Mr. Speaker, I recommend to our colleagues and the Nation an excellent article authored by Nora Connor, a Research Associate with the highly-regarded Council on Hemispheric Affairs (COHA), which is based in Washington.

WTO FACES INTERNAL DISCORD, PUBLIC OPPOSITION

With the World Trade Organizations ministerial meetings just days away, trade officials are still arguing over the basic agenda for the Seattle event. An October meeting in Lausanne clarified differences among participants, but saw little progress toward resolving them. Though certain items were to be given priority for a possible ''Millennium Round'' of trade talks, consensus has proven elusive. WTO member countries remain divided on issues such as the impact of the organization on environmental and labor issues, as well as the prioritization of specific agenda items.

In addition, WTO representatives will be facing raucous public opposition to a new round of trade talks. Numerous national and international groups have denounced the effects of previous free trade measures. These groups have planned large-scale protests to coincide with the ministerial, acting on behalf of labor rights, the environment, sustainable development, consumer rights,

women's and children's issues, and the strengthening of democracy.

Trade experts in many nations insist that a broad agenda addressing the liberalization of previously untreated sectors (including services and agriculture) is the only way to ensure that the new round can move forward. Proponents of a broad agenda assert that any delay in trade liberalization would result in missed opportunities for huge gains in global trade and income, and could open the way for protectionist ''backsliding.'' Advocates of further liberalization also insist that the process must move forward if developing countries are to benefit from increased market access, greater consumer choice and increased opportunity to attract foreign investment.

Many anti-WTO protesters preparing to clog the streets of downtown Seattle say they categorically oppose any new round of trade talks. A petition outlining objections to a new round and calling for an exhaustive review of existing WTO agreements has been signed by over seven hundred groups worldwide. The signatories claim that trade liberalization has done little to benefit the world's poor. They also view the WTO as a threat to democracy, insisting that WTO policies have undermined elected governments' ability to prioritize national development, public health and safety issues, as well as interfered with consumer rights. These concerns are attracting widening publicity, and though they have been dismissed as instances of ''anxiety'' by U.S. Trade representative Charlene Barshefsky, and as ''attacks by extremists dedicated to spreading anarchy and defeating capitalism,'' by Financial Times contributor Guy de Jonquieres, popular opposition to the WTO could prove a significant barrier to further liberalization, particularly as the U.S. presidential race intensifies.

Despite their opponents' accusations to the contrary, free trade advocates insist that they too have the best interests of the world's population at heart. WTO director-general Mike Moore has summed up the position of free trade supporters in saying that ''the WTO is about raising living standards . . . if living standards rise, environmental standards rise, families are better off and children normally have a better education.'' Moore's position is a prime example of the ''rising tide lifts all boats'' line: what is good for the economy is good for people. Macroeconomic indicators both support and contradict this thesis, depending on one's point of view. In many developing areas, including Latin America, foreign investment is up, and inflation is down. The Financial Times reported last month that global income has grown dramatically as a result of trade liberalization. The rising-tide rationale is also being applied to the next round of negotiations, with experts insisting that the poorest countries also will benefit from the removal of agricultural trade barriers. Yet others suggest that conditions are worsening in the majority of developing regions. In Latin America overall economic growth has been ragged with less than 3% annually, according to the United Nations Commission on Trade and Development (UNCTAD), with some countries showing negative growth, job creation has slowed, and unemployment has remained fairly stable. Perhaps most telling, gaps in income distribution have sharply widened, suggesting that the free-market system contains inherent structural inequalities preventing some ''boats'' from rising despite general increases in trade, investment, and economic growth.

In addition, WTO policies continue to force developing countries to compete largely on the basis of their only truly competitive advantage: cheap labor. This presents a problem, as it has historically, in that labor is performed by workers who are also humans with a need to consume. Countries that must lower labor costs as a means to greater efficiency and greater competitiveness must essentially manipulate their populations in the service of ''the market.'' UNCTAD reports that Latin American workers experienced declines in real wages of 20–30% since the Uruguay Round was implemented beginning in 1990. It seems clear that all workers have not benefited from new trade patterns. Perversely, however, shrinking wages can contribute to the appearance of economic growth in the form of increased ''efficiency.'' Similarly, the rapid increase of temporary and ill-paid service jobs in countries like the U.S. is hailed as improved flexibility in the labor market—even though it may undermine job security for countless workers, and even though significant decreases in wages can adversely affect consumption.

Traditionally, the WTO has argued that labor and environmental matters—as well as the burden of ensuring equitable distribution of resources and profits—are best left to natural forces in member states, as they are not, classically speaking, trade-related. Yet the trade organization consistently has undermined member nations' attempts to regulate labor and environmental protection, with its dispute panel by categorizing many reforms as ''non-tariff barriers to trade,'' which may invite retaliatory sanctions. Issues that might be most effectively pursued by means of international cooperation, are instead reduced to bargaining chips. Developing countries, for example, suffer from environmental degradation just as developed countries do—sometimes even disproportionately, due to, for example, having to allow toxic materials to be dumped or incinerated in third-world countries, out of financial desperation. Yet efforts to enact environmental protection measures are often misguidedly opposed by poorer nations which cannot afford to implement similar measures, or lack the infrastructure to do so. Poorer countries perhaps naively believe that developed countries invoke stricter environmental measures as a ploy to protect their own domestic industries against overseas low cost competition. Labor issues have met a similar fate under free trade, with workers in neighboring countries often pitted against one another, rather than pooling their leverage in order to raise standards across the board.

Supporters of free trade explain the suffering connected with trade liberalization by insisting that such sectors are experiencing the temporary hardships tied to a certain stage in a process of industrialization or development. Once these nations modernize their industries and stabilize their markets in order to become more competitive, the script reads, living standards will improve. But this attitude belies the supposed concern with the plight of the world's most poverty-stricken, implying that those who are suffering in the ''early stages'' of a country's development will just have to take one for the team. If the poor must wait for the day when free trade will deliver on all of its promises and bring about real improvements in poverty levels and standards of living, as its proponents claim it can do, it seems reasonable to ask that the WTO pause to assess the impact of its policies on those whose destinies are far from assured.

THE REV. RONALD J. FOWLER

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SAWYER. Mr. Speaker, for over 30 years, The Rev. Ronald J. Fowler has served with distinction as the Senior Pastor of the Arlington Church of God in my hometown of Akron, OH. When he assumed that position in January 1969, Ron Fowler knew that he had a difficult act to follow—the 23-year tenure of his father, The Rev. Robert L. Fowler.

Ron Fowler has done his father, his congregation, and our community proud.

Under his leadership, the Arlington Church of God has grown in membership and ministries. This growth has twice necessitated the building of new worship and educational facilities.

But Ron Fowler does more than attend to his congregation and preach the Gospel. Both in his public and private roles, he lives the Gospel, committing himself to meet the ever-growing needs of his congregation and our community.

His dedication and devotion to serving the needs of the community led him to spearhead the establishment of the Independent Living Facilities for Seniors, now known as A.H.O.P.E.S.

His commitment to education resulted in the creation of both the Irma Jones Preschool and Infant Center, and the Arlington Christian Academy. That same commitment was evident as Ron Fowler served on the Akron Board of Education, exercising community-wide education leadership, from 1988 to 1995, including two years as Board President.

But most notably, Ron has been a vocal and forceful advocate and champion of racial reconciliation throughout the community and the nation. For more than 10 years, his mostly African-American church has worked hand-in-hand with The Chapel, a predominantly white church, in the Allies race relations program. That powerful personal resolve was evident for all the Nation to see two years ago when President Clinton held his first Town Hall Meeting on Race in Akron.

In one of his sermons, Ron Fowler spoke of an ''unquenchable fire'' that shapes lives. ''Passion,'' he said, ''is not something we are born with. It is something acquired. Whatever the route by which we acquire it, the fire that burns daily within our bosom reveals much about our character and understanding of what our mission in life is.''

There is no question that Ron Fowler has that fire.

He is the living embodiment of his own challenge to '' Press on'' and ''Take hold of the faith that gives all of us tomorrow.''

Mr. Speaker, on behalf of our community, let me offer congratulations to Ron and Joyce Fowler and their family on 30 years of service through the Arlington Church of God. They have touched and enriched countless lives in their congregation and throughout our community. We are deeply grateful for their service and for their indelible example to the Nation.

HONORING UAW LOCAL 599 REUTHER AWARD RECIPIENTS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. KILDEE. Mr. Speaker, it is my great pleasure to pay tribute to 23 members of UAW Local 599, who will be recipients of the Walter P. Reuther Distinguished Service Award. On Saturday, November 6, 1999, these individuals will be honored at the 19th Annual Walter and May Reuther Twenty Year Award Banquet.

Local 599 has always had a special place in my heart because my father was one of its original members. Over the years, Local 599 has developed a strong and proud tradition of supporting the rights of working people in our community, and improving the quality of life for its membership. This year marked the 60th anniversary of the local's charter, and its commitment to working for decent wages, education and training, and civil and human rights.

Mr. Speaker, it is indeed an honor to recognize these special individuals who, have diligently served their union and community. During this time, each one of these UAW members have held various elected positions in the union. And there is no question they have represented their brothers and sisters well.

It is very fitting that these 23 people be recipients of the Walter P. Reuther Distinguished Service Award. Walter Reuther was a man who believed in helping working people, and he believed in human dignity and social justice for all Americans. The recipients of this award have committed themselves to the ideals and principles of Walter Reuther. They are outstanding men and women who come from every part of our community, and they share the common bond of unwavering commitment and service.

Mr. Speaker, I would ask my colleagues in the House of Representatives to join me in honoring Robert Aidif, David Aiken, Dennis Carl, Russell W. Cook, Harvey DeGroot, Patrick Dolan, Larry Farlin, Maurice Felling, Ted Henderson, James Yaklin, Ken Mead, Don Wilson, Frank Molina, Shirley Prater, Gene Ridley, John D. Rogers, Dale Scanlon, G. Jean Garza-Smith, Nick Vuckovich, Jerry J. Ward, Greg Wheeler, Tom Worden, and Dale Bingley. I want to congratulate these fine people for all of the work they have done to make our community a better place to live.

TRIBUTE TO AMBASSADOR VICTOR MARRERO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Ambassador Victor Marrero, an outstanding individual who on October 1 was unanimously confirmed by the Senate to fill a vacancy on the federal bench in New York's Southern District.

Ambassador Marrero was born in Puerto Rico and moved to New York City with his parents when he was 10. He graduated from New York University (B.A. cum laude, with Honors in History, Phi Beta Kappa). He received his law degree from the Yale Law School, where he was elected Editor of the Yale Law Journal. He was a Fulbright Scholar at the University of Sheffield (U.K.) School of Law and has taught as a Visiting Lecturer in Law at Yale and Columbia Law Schools.

Mr. Speaker, before his confirmation to the bench, Ambassador Marrero served as the Permanent Representative of the United States to the Organization of American States. His achievements during his tenure at the OAS are impressive. Among his proposals that have been adopted are the restructuring of the General Assembly in order to streamline the number of days and make it more efficient and effective, reform to eliminate duplication and waste through a new Inter-American Agency for Cooperation and Development, and creation of the Center for the Study of Justice in the Americas. Through Attorney General Janet Reno he has pledged $1,000,000 for the Center, to promote research on legal matters, train personnel, exchange information, and provide technical support on the reform processes of judicial systems in the Americas.

Mr. Speaker, before this posting, Ambassador Marrero served since 1993 as the United States Representative on the Economic and Social Council of the United Nations. He brought to his diplomatic posts extensive experience in private law practice and business in New York as well as public service in federal, state and city government.

Prior to his service at the United Nations, Ambassador Marrero practiced law in New York City. As a partner in the Manhattan law firm of Brown and Wood, he specialized in real estate, land use, development and environmental law.

During the Carter Administration, Ambassador Marrero was Under Secretary of the U.S. Department of Housing and Urban Development. Previously he had been Commissioner of the New York State Division of Housing and Community Renewal and the Vice Chairman of the New York State Housing Finance Agency. Before joining state government, he served as Chairman of the City Planning Commission of New York City.

Mr. Speaker, Ambassador Marrero has served as Director or Trustee for numerous civic education, charitable and professional organizations, as well as the Mayor of New York's Management Advisory Committee and Commission on the homeless, and the Yale University Urban Advisory Committee.

Ambassador Marrero is married to Veronica M. White. They have two children, Andrew and Robert.

Mr. Speaker, I ask my colleagues to join me in congratulating Ambassador Victor Marrero for his accomplishments as the Permanent Representative of the United States to the Organization of American States and in wishing him success as a Federal Judge in Manhattan.

DISTRICT OF COLUMBIA COLLEGE ACCESS ACT

SPEECH OF

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 1, 1999

Mr. EHRLICH. Mr. Speaker, I strongly support H.R. 974, the District of Columbia College Access Act. It is legislation long overdue and deserves an immediate Presidential signature. This legislation expands the educational choices and opportunities of eligible District of Columbia students by establishing a program that permits these graduates to pay in-state tuition rates upon admission to state colleges in Maryland or Virginia. Moreover, this will benefit the already first-rate educational opportunities in these states by increasing the number and quality of candidates for admission.

Unlike the 50 states, the university system in the District of Columbia is significantly limited. The University of the District of Columbia is the city's only public university. Thus, if high school graduates from the District's schools want to attend an institution of higher learning and pay-in-state tuition they have no choice except the District's university. This is unacceptable.

H.R. 974 levels the playing field. It provides eligible high school graduates from the District's schools a network of state-supported colleges to attend. Specifically, this legislation establishes a program to permit D.C. residents who are recent high school graduates the ability to pay in-state tuition rates upon admission to state colleges in Maryland or Virginia. Under this proposal, the federal government will pay the difference between the two rates, creating no additional cost to state universities. Public university grants may not exceed $10,000 in any award year, with a total cap of $50,000 per individual.

Additionally, this legislation provides tuition assistance grants of $2,500 for students attending private colleges in the District or the adjoining Maryland and Virginia suburbs, including historically black colleges and universities as another educational option for the District's students.

Access to quality education in the United States is essential. This bill goes a long way to ensure that the students of the District of Columbia are afforded a variety of educational opportunities at a reasonable cost. It will encourage the young people of the District of Columbia to complete high school and seek further education. This will enable them to acquire better jobs in the future, earn good salaries, and improve the quality of life in the entire Washington, D.C. metropolitan region.

COUNCIL OF KHALISTAN LETTER IN NEW YORK POST ALLEGES RELIGIOUS PERSECUTION IN INDIA

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. DOOLITTLE. Mr. Speaker, I would like to call the attention of my colleagues to a letter that appeared on Wednesday, November 3, 1999, in the New York Post by Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. It reveals the religious persecution in India.

Christians have been actively persecuted in India in recent months, a pattern carried out on Sikhs, Muslims, and others.

I urge all my colleagues to read the attached letter, which I am placing in the RECORD.

[From the New York Post, Nov. 3, 1999]

RELIGIOUS PERSECUTION IN INDIA

Thank you, Rod Dreher, for an excellent article (''Pope's passage to India may be most perilous yet,'' Oct. 28) exposing the ''Hindu brownshirts'' who run India.

The religious persecution of Christians has reached unparalled proportions, as Dreher aptly points out. But it is not just Christians who have suffered severe religious persecution. India has killed over 200,000 Christians, over 250,000 Sikhs, more than 65,000 Muslims and tens of thousands of Assamese, Manipuris, Tamils, Dalits and others since its independence. Thousands of minorities, especially Sikhs, remain in Indian jails as political prisoners without charge or trial.

The Western world must not accept this pattern of religious tyranny.

DR. GURMIT SINGH AULAKH,
Council of Khalistan,
Washington D.C. (via e-mail).

REPUBLICANS ARE WINNING THE BUDGET FIGHT

HON. ERNEST J. ISTOOK, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ISTOOK. Mr. Speaker, I rise today to commend the Republicans in the House and the Senate on our pledge not to spend Social Security. To that end, I recommend the reading of the following article by Tod Lindberg, which appeared in the November 8th issue of The Weekly Standard.

HOUSE REPUBLICANS ARE WINNING ONE

THE BUDGET BATTLE OF 1999, HARD TO BELIEVE BUT TRUE, HAS FEATURED GOP CUNNING

(By Tod Lindberg)

Republicans both inside and outside Congress have been pleasantly surprised by how well they are doing politically in this year's budget fight with President Clinton. Ever since Clinton squashed the Republican Congress over the government shutdown in 1995–96, the autumnal rites of appropriation have been a time of dread for the GOP, an exercise in wondering who among them will be a human sacrifice come the next election as a result of drawing the wrath of the Democratic administration.

This time, simply put, they are not getting killed. In fact, thanks to their tireless reiteration of their unifying theme—namely, that they are going to protect every last dime of Social Security from marauding Democrats—and thanks to the money the GOP is spending on advertising in select congressional districts repeating the point, poll numbers show the Republican message taking hold. It looks like Republicans have at last found an incantation with the same black magic power as the Democrats' ''Medicare, Medicaid, education, and the environment.''

Now, there are those who might say that the real secret of the GOP's success, such as it is, has been timely surrender, appeasement, and subterfuge: that Republicans have whole-heartedly agreed to substantial increases in government spending. The spending caps theoretically imposed by the balanced budget agreement have in effect been blown to smithereens, and the appropriations bills themselves are, in the aggregate, full of budgetary gimmickry and self-aggrandizing assumptioneering. This, snort some, is what a Republican Congress does? Crank up spending and cook the books to hide it?

Well, up to a point. Those who see a smaller, more limited federal government as the sole test of conservative success will rightly be disappointed. At the end of the appropriations process—which is to say, before final negotiations with the White House—domestic discretionary outlays were scheduled to grow by 6 percent. The increase in outlays will surely outpace the growth of the economy in 2000. In absolute and relative terms, government is not shrinking but growing.

But this raises the question: By how much? And compared with what? In judging the Republican performance, it's only fair to take account of political reality—in particular, the terra incognita of budgeting in an era of surplus.

A better term for Bill Clinton's ''Third Way'' governing philosophy might be ''balanced-budget liberalism.'' For years, Republicans ran against the federal budget deficit, while Democrats only paid lip service to the concept (though they were always prepared to raise taxes in the name of deficit reduction). With their new majority after the 1994 elections, Republicans felt obliged to attack the deficit head-on. Politically, they ran into the Clintonian buzzsaw. But in the end, thanks in no small measure to a surging economy, Clinton was happy to grant Republicans what they had always claimed was their fondest wish: a balanced federal budget.

One should, of course, be careful what one wishes for, lest one get it. Before Republicans saw it, Clinton understood the political implications of a world of budget surpluses. If your main argument against federal spending is ''the deficit,'' then surpluses translate into more spending. The GOP leadership on Capitol Hill disagreed. Many of them still wanted to cut spending or at least restrain increases. But for the first time in their political lives, the budget deficit was no longer at hand as an easy argument against spending. And Clinton would not go along with a tax cut acceptable to Republicans, so no budget restraint would be imposed by depriving the government of tax revenue.

This is the box Republicans found themselves in at the beginning of the 1999 budget season, with the additional headache, after their 1998 election losses, of only a whisker-thin majority in the House. What's more, impeachment-related political tumult had claimed first the Gingrich speakership and then Bob Livingston's, resulting in the elevation of the amiable but untested Dennis Hastert of Illinois. This looked for all the world like an environment in which Clinton could fragment the House Republicans and dictate the spending levels he wanted, up to the limits of the budget surplus.

Indeed, this was the calculation the House leadership made at first. They were inclined to abandon the budget caps early and make an expensive peace with the White House, thereby avoiding the nightmare scenario of another government shutdown for which they would be blamed—and the end of their majority in 2000. But there was serious resistance in the ranks to the idea of popping the caps. So they hung on and looked for some other survival kit, and found an unlikely one.

They decided to make Social Security their friend. For years, the fact that government took in more in Social Security taxes than it paid in benefits, $99 billion in 1998, was irrelevant to the big picture on the deficit. In other words, government ''spent'' the Social Security ''surplus''—that is, the deficit for running the rest of the government, apart from Social Security, would have been higher by the amount of the Social Security surplus. No one seriously objected to this ''raid'' on the ''Social Security trust fund.'' These are arbitrary accounting distinctions.

Then, in a series of head-scratching staff meetings devoted to the question of how not to get killed, Republicans finally hit paydirt—a line they could articulate simply and clearly, with potential for public resonance, and around which they could keep their slender majority united, against all odds. It was ''Stop the Raid'' on Social Security. At a stroke, they were able to declare some $147 billion of the federal budget surplus for 2000 off limits to new spending. And they were able to hold that line.

In accounting reality, this Social Security surplus figure is not less arbitrary than the budget caps supposedly still in force. But in the real world of politics, the fact is that budget caps were too abstract to hold Republicans together. Social Security is real. Clinton's rhetorical case against a tax cut hinged on protecting Social Security, for example.

Without necessarily setting out to do so, the GOP leadership essentially created a very useful artificial deficit, the size of the Social Security surplus. This ''deficit'' now serves as a restraint on federal spending—and will continue to do so. The Social Security surplus is estimated at about $155 billion in fiscal 2001 and $164 billion the year after. If Republicans win this point, it's likely to work for them in future budget rounds.

The story of the fiscal 2000 budget, then, is not the story of gimmicks and gewgaws. That's the story of the budget every year. The story is how a perilously thin and nervous GOP majority under an untested leader managed to change the subject in such a way as to forestall scores of billions in additional government spending at a time when the government had the money. Dennis Hastert turns out to be the most underestimated politician in Washington since Bill Clinton in January 1995.

HONORING JUNE HOROVITZ

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. HAYES. Mr. Speaker, I rise today to honor a legislative hawk from North Carolina who is going to be moving out of our state in just a few days. June Horovitz from Raleigh, has worked hard for the people of North Carolina. Although she has never been elected and she has never been paid a lobbying fee, she has worked for over 17 years to make North Carolina a better place.

I first met June in 1992 as a state legislator in North Carolina's General Assembly. June does not drive, so she would ride the bus or catch a ride with a friend down to the legislature building and attend committee meetings and visit with members. We became fast friends due to her hard work to eliminate the state sales tax on food. June's cause prevailed. Last year, the General Assembly repealed the final two cents of the state's portion of the food tax.

Since moving on, June has kept me informed of the issues in the North Carolina General Assembly. June is moving to Boca Raton, Florida on Thursday, November 18 to be closer to her brother and his family. I expect she will continue to fight high taxes and wasteful government in her new state of residence. I thank her for all her support and wish her all the best.

THE NORTH KOREA ADVISORY GROUP

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GILMAN. Mr. Speaker, in August of this year, Speaker J. DENNIS HASTERT asked me to chair a group of nine members, including Representatives FLOYD SPENCE, PORTER GOSS, CHRIS COX, TILLIE FOWLER, SONNY CALLAHAN, DOUG BEREUTER, CURT WELDON, and JOE KNOLLENBERG to examine the threat that North Korea poses to the United States. We issued our report today. This is the summary of that report:

I. Do the North Korean weapons of mass destruction (WMD) programs pose a greater threat to U.S. security than five years ago?

North Korea's WMD programs pose a major threat to the United States and its allies. This threat has advanced considerably over the past five years, particularly with the enhancement of North Korea's missile capabilities. There is significant evidence that undeclared nuclear weapons development activity continues, including efforts to acquire uranium enrichment technologies and recent nuclear-related high explosive tests. This means that the United States cannot discount the possibility that North Korea could produce additional nuclear weapons outside of the constraints imposed by the 1994 Agreed Framework.

In the last five years, North Korea's missile capabilities have improved dramatically. North Korea has produced, deployed and exported missiles to Iran and Pakistan, launched a three-stage missile (Taepo Dong 1), and continues to develop a larger and more powerful missile (Taepo Dong 2). Unlike five years ago, North Korea can now strike the United States with a missile that could deliver high explosive, chemical, biological, or possibly nuclear weapons. Currently, the United States is unable to defend against this threat.

The progress that North Korea has made over the past five years in improving its missile capabilities, its record as a major proliferator of ballistic missiles and missile technology, combined with its development activities on nuclear, biological and chemical weapons, ranks North Korea with Russia and China as one of the greatest missile proliferation threats in the world.

II. Do North Korean conventional forces pose a greater threat to peace on the Korean peninsula than five years ago?

North Korea is less capable of successfully invading and occupying South Korea today than it was five years ago, due to issues of readiness, sustainability, and modernization. It has, however, built an advantage in long-range artillery, short-range ballistic missiles, and special operations forces. This development, along with its chemical and biological weapons capability and forward-deployed forces, gives North Korea the ability to inflict significant casualties on U.S. and South Korean forces and civilians in the earliest stages of any conflict.

III. Does North Korea pose a greater threat to international stability than five years ago?

The Democratic People's Republic of Korea (DPRK) is a greater threat to international stability primarily in Asia and secondarily in the Middle East. North Korea is arguably the largest proliferator of missiles and enabling technology in the world, with its primary markets being South Asia and the Middle East. Its proliferation activities pose an increasing threat to American and allied interests globally. Pyongyang continues to harbor terrorists, produce and traffic in narcotics, counterfeit U.S. currency, and infiltrate agents into South Korea and Japan.

IV. Does U.S. assistance sustain the North Korean government?

The United States has replaced the Soviet Union as a primary benefactor of North Korea. The United States now feeds more than one-third of all North Koreans, and the U.S.-supported KEDO program supplies almost half of its HFO needs. This aid frees other resources for North Korea to divert to its WMD and conventional military programs.

U.S. aid to North Korea has grown from zero to more than $270 million annually, totaling $645 million over the last five years. Based on current trends, that total will likely exceed $1 billion next year. During that same time, North Korea developed missiles capable of striking the United States and became a major drug trafficking and currency counterfeiting nation.

Despite assurances from the administration, U.S. food and fuel assistance is not adequately monitored. At least $11 million in HFO assistance has been diverted. In contravention of stated U.S. policy, food has been distributed in places where monitors are denied access. One U.S. aid worker in North Korea recently called the monitoring are denied access. One U.S. aid worker in North Korea recently called the monitoring system a ''scam.'' More than 90% of food aid distribution sites in North Korea have never been visited by a food aid monitor. The North Koreans have never divulged a complete list of where aid is distributed.

North Korea has the longest sustained U.N. food emergency program in history. There are no significant efforts to support or compel agricultural and economic reforms needed for North Korea to feed itself. North Korea will likely continue to refuse to reform, instead relying on brinkmanship to exact further aid from the United States and other members of the international community.

V. Do the policies of the North Korean government undermine the political and/or economic rights of its people more so than five years ago?

The condition of the North Korean people, both physically and politically, is worse than at any time in the history of their government. U.N. nutritional studies and other research have shown that at least one million North Koreans have starved to death since 1994, while many others face starvation. North Korea's medical system has collapsed with its economy, transforming common diseases into death sentences for many. North Korean hospitals largely function as hospices.

North Korea has the worst human rights record of any government in the world. The DPRK formally categorizes its citizens into 51 classes. Seven million citizens, one-third of the population, are regarded as members of the ''hostile'' class. North Korea has established prisons for hungry children, and is the only place on earth where a hungry child wandering away from home is imprisoned. North Korea is also unique in being the only country that has attempted to withdraw from a key human rights treaty.

The regime of Kim Jong Il depends on maintaining high levels of fear to oppress its people. The perpetual state of crisis that the regime generates with the international community ensures internal discipline and demands absolute support for the regime. This policy requires the regime to keep the North Korean people isolated and ill-informed on developments in the outside world.

Accordingly, Mr. Speaker, I look forward to working with my colleagues on the International Relations Committee as well as the members of the Intelligence and Armed Services Committees as we take follow-up actions on this important issue.

COUNCIL ON HEMISPHERIC AFFAIRS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I would like to submit for the RECORD the attached articles, ''One Commission To Be Proud of'' and ''The Effect of the U.S. Embargo on Cuban Health Care in Cuba'', in the CONGRESSIONAL RECORD.

Mr. Speaker, ever since its creation in the wake of the 1959 Cuban Revolution, the Inter-American System for the Protection of Human Rights has played an extraordinary role in promoting justice on the continent. The Commission and the Court have consistently furthered this country's authentic national interests by helping oppressed populations defend themselves against dictatorships and by working for the establishment of democratic norms.

However, this institution finds itself at a critical juncture and needs political support. Human rights crimes are sill being perpetrated throughout the hemisphere, yet the chronic under-funding of these OAS bodies threatens their effectiveness. Furthermore, Peru's recent withdrawal from the jurisdiction of the Court deserves maximum condemnation and should not be allowed to set a precedent for those governments hoping to escape accountability. The United States should lead by example and finally ratify the Inter-American Convention on Human Rights and accept the jurisdiction of the Court.

The following research memorandum was authored by Eric Angles, a Research Fellow with the Washington-based Council on Hemispheric Affairs (COHA). This timely and trenchant article gives credit to the Inter-American System for its accomplishments, and emphasizes how pivotal U.S. backing is to its success.

ONE COMMISSION TO BE PROUD OF

(By Eric Angles, Research Fellow, council on Hemispheric Affairs)

Pinochet and Milosevic indicted for their crimes; a ''just war'' waged in the Balkans at heavy political, diplomatic and military risk; the human rights debate has clearly shifted gears. Gone is the era when egregious patterns of abuses remained concealed behind sacrosanct national borders, or neatly rhetoricized away by Cold War realpolitik. At last public indignation is being heeded. This is a very positive sign, with much credit being owed to intrepid journalists and relentless human rights promoters, those good men and women in gray.

But plaudits—a great deal of them—must also go to a more discrete actor, the Inter-American Commission on Human Rights. Ironically, since its founding in 1959 by the Organization of American States, some of its backers have belonged among the world's most flagrant offenders; and the Commission has certainly had to struggle for a measure of independence. Early on, periodic in loco visits to human rights Gethsemane and hard-hitting country reports proved effective in at least publicizing the cruelties of barbarous regimes. Scores of lives were doubtlessly saved during the junta years owing to the boldness of these investigative missions. But new and impressive accomplishments in the 1990s have since firmly entrenched the crucial role of the Commission and its judicial arm, the Inter-American Court, in promoting justice throughout the Americas.

Most far-reaching is a mechanism whereby individuals deprived of their rights can lodge a petition. Public hearings are then held and embarrassing rulings often rendered. Over twelve thousand cases have been considered since 1965, primarily involving killings, torture and ''disappearances''. More complex issues are not increasingly addressed, such as the rights of women and indigenous populations. Not only have wrongs been condemned and at least partly redressed; Commission and Court decisions have set invaluable standards for use by other international human rights bodies under the United Nations, European and African systems.

Just as tellingly perhaps, recalcitrant states now defend themselves with unprecedented ferocity when chastised by a jurisdiction which, after all, they once opted into. In the early years, offenders largely ignored unfavorable findings. By contrast, a fulminating President Fujimori found it necessary to withdraw Peru from the Court's competence rather than face additional rulings against the country's summary military trials—one of whose victims was young U.S. national Lori Berenson, sentenced for life in 1996 without even a shred of due process. Fujimori's outrageous move will only serve to isolate Peru, and to little avail since Commission proceedings cannot be blocked short of renouncing OAS membership. Simply put, avoidance strategies are fast running out for renegade leaders.

The Inter-American system's effectiveness derives at least in part from heightened political support since the end of the Cold War. But if basic principles of justice are being enforced and not merely exalted, above all it is due to the efforts and persistence of the Commission. Ambiguously comprised of legal experts nominated by governments, it could easily have remained the typical OAS cipher. Yet skillful navigation by a deft leadership and expert staff has admirably defied the odds. ''Quasi-judicial'' prerogatives provide it with a uniquely effective blend of political initiative—most notably the power to throw the spotlight on a selected issue or country—and the authority to set legal precedent. At the same time, the Commission has displayed an even-handedness that has done wonders for its credibility: a case in point was the 1999 report on Columbia detailing wrongdoings both by government and guerrilla forces.

Commission and Court practice also has shown remarkable boldness and creativity. The landmark 1988 Velazquez Rodriguez judgment against Honduras laid out key legal definitions in such a way as to limit procedural escape routes for guilty parties. Other international norms like the humanitarian conventions of Geneva are also commonly invoked when necessary. In no small measure, this is contributing to the slow rise of universal accountability for governments who pull out the nails of their own citizens.

Curiously, these hard-won accomplishments have remained mostly uncelebrated, especially in the U.S., which does not recognize the Court and all but ignores adverse determinations by the Commission. Aren't we too quick to take for granted justice enforced on behalf of our countrymen, such as Matthew Blake, murdered by agents of the Guatemalan state in the early 1980s? There is no question that when provided U.S. backing will be pivotal if full-fledged judicial mechanisms are one day to emerge for the regional and global protection of human rights. Congress' antiquated aversion to international adjudication sits oddly indeed alongside the lofty foreign policy goals articulated by Capitol Hill leaders and Presidents alike.

Success is rarely self-perpetuating. At under three million dollars a year the Commission is absurdly under-funded in the light of its expanding mission. Worse still, a group of disgruntled OAS states very nearly managed to brush back much of its power two years ago, thwarted only by the timely mobilization of concerned private groups. With malefactor states and Fujimori-like leaders waiting to bushwhack it at every corner, public support remains crucial to the furtherance of the Commission's outstanding work into the next century.

Mr. Speaker, legislation such as the 1992 Cuban Democracy Act (CDA) and the 1996 Helms-Burton Act have tightened the U.S. embargo against Cuba to the point that has it negatively effected the health of Cuban civilians and has profoundly damaged the country's revolutionary health care system and medical research institutes. Current U.S. policy towards Cuba severely restricts the export of medicine, the medical supplies and technology to the island by demanding a political test which it is anticipated that Cuban authorities will continue to reject. The Warner-Dodd bill in the Senate and the Freedom to Market Act in the House would reevaluate the embargo and remove restrictions on the sale of grain, medicine and medical supplies to Cuba. These measures were initiated partially in response to numerous studies reporting that the health of Cuban citizens has deteriorated greatly, and hospitals are in dire need of supplies due to the embargo.

The following research memorandum was authorized by David Roberts, a Research Associate with the Washington-based Council on Hemispheric Affairs (COHA). It represents an elaborated version of an article recently published in COHA's biweekly publication, the Washington Report on the Hemisphere. This timely and pertinent article investigates the effect that U.S. policy has had on the Cuban health care system and the well-being of the Cuban populace.

THE EFFECT OF THE U.S. EMBARGO ON CUBAN HEALTH CARE

(By David Roberts, Research Associate, Council on Hemispheric Affairs)

Senators John Warner (R–VA) and Christopher Dodd (D–CT) have reintroduced a bill designed to remove restrictions on the sale of grain, medicine and medical supplies to Cuba. The U.S. embargo currently prohibits all trade with the island including restrictions on humanitarian aid such as medicine and food. Cuba is now the only nation worldwide denied access to medical supplies as part of a U.S. embargo. The Warner-Dodd bill and its sister measure in the House, the Freedom to Market Act (HR 212), were initiated this year in order to alleviate the suffering caused by the embargo against Cuban civilians that has been in place for nearly 40 years.

Since 1959, the U.S. government has unsuccessfully tried to unseat Castro by any means ranging from economic sanctions to assassination attempts. In recent years, Washington has increased pressure on Castro, enacting legislation such as the 1992 Cuban Democracy Act (CDA) and the 1996 Helms-Burton measure, whose net result has been to impede the exportation of medicines and medical technology to Cuba. These regulations have discouraged the transfer of health care resources through purposely restrictive licensing procedures and denying U.S. visas to, and even suing, executives of foreign companies found to be trading with the island. The collapse of the Soviet Union and the Eastern bloc, Cuba's principal benefactors, exacerbated the damaging effects of U.S. sanctions. As a result, health conditions in Cuba have deteriorated significantly.

Prior to the Warner-Dodd bill, the Dodd-Torres legislation in 1998 was introduced which was aimed at removing the provision of food and medicine from the U.S. sanctions list. The act lost its viability when Senate amendments emasculated the measure, turning the proposed bill into a vehicle for that would make matters worse for Cuba. Hostile riders to the bill permitted sanctions against ''terrorist'' nations that deny access to food, medicine or medical care as a means of coercion or punishment of a segment of the local populace, effectively invalidating the intentions of the bill's sponsors. Although Cuba has faced international pressure over its flagging human rights record, Havana officials maintain in return that the U.S. embargo has inflicted far more grievous rights violations against Cubans. Critics of the embargo condemn its hypocritical nature because it denies Cuba access to food and medicine as a form of coercion, while the U.S. simultaneously chastises Havana for not providing the population with these essential products. Although the Clinton administration recently ended similar policies against Iran, Libya and Sudan, arguing that ''food should not be used as a foreign policy tool,'' the administration maintains a much more severe embargo including both food and medical supplies against Cuba.

A HISTORY OF GUARANTEED HEALTH CARE

Obsessed with eliminating ''human, social and economic underdevelopment,'' Castro revolutionized the country's medical system in 1959, introducing comprehensive free health care for all Cubans. For several decades this system was considered a model for other Third World nations. The country's constitution guarantees citizens the right to free medical treatment and preventive care. The health delivery system focuses on women's health, providing programs for the early detection of breast and cervical cancer, prenatal care, and free child immunization. Previously, when medicines were available, state pharmacies filled prescriptions for free as well as formulated vaccines which were supplied by the bustling domestic drug manufacturing industry.

Cuba's progressive health care policy propelled the country's successful and internationally acclaimed biotechnology and pharmacology export industries. The island's 11 ''world class'' research institutions made impressive advances, some of which were greatly respected by the international medical community. These institutes have been credited with developing innovative medical breakthroughs including vaccines for hepatitis–B and meningitis–B. In fact, Cuba is the sole producer of a vaccine for meningitis–B that has been proven to reduce the incidence of the disease by 93%. The institute also developed a surgical cure for retinitis pigmentosa, a genetic disorder that may lead to blindness or tunnel vision.

LONG-TERM EFFECTS ON THE EMBARGO

While Cuban authorities maintain their resolve to provide the populace with greatly needed medical care, highly qualified doctors still face long lines of patients with only antiquated technology to treat them. Even the medicines produced by the pharmacology industry are difficult to obtain because imports of their components have been restricted by the blockade. Despite the previous successes posted by the pharmacology industry, island drug store shelves are now empty. Although recent changes have allowed for some medical sales to Cuba, each transaction must receive prior approval from the U.S. Treasury Department in order to insure that the sale will not benefit the Cuban government and that such supplies will only be handled by independent and non-governmental agencies. Currently, only one U.S. company has sought license to sell medical goods to Cuba. A study by the American Association for World Health found that Cuban hospitals are in dire need of basic medical supplies as a result of U.S. policies. This is partially due to the fact that the government-run health care system serves the impoverished sector of the population, which cannot otherwise purchase medicine, while other hospitals serving wealthier Cubans and foreigners reap the benefits of this minor relaxation of the embargo. The only relief for the average Cuban citizen comes on the daily charter flight from Miami that brings donations from individuals and aid from the few Catholic humanitarian agencies authorized to operate on the island.

The U.S. embargo and the tempo with which it is being administered is indisputably hurting the majority of Cubans. Critics of the status quo maintain that lifting sanctions and following a policy of constructive engagement would be of great benefit to the general population. Several U.S. legislators recently have traveled to Cuba, indicating a need for more non-political relations with the island. ''Cuban can benefit from the research of the National Institutes of Health and we can benefit from the research (the Cubans) are doing on meningitis-B,'' said Sen. Arlene Specter (R–PA) following a recent visit to the island.

Although the Warner-Dodd bill and HR 212 are meant to transcend party lines, it will be difficult to advance such creative thinking in either the House or the Senate due to the opposition of such powerful and unregenerate Cuba-bashers as Senate Foreign Relations Chairman, Jesse Helms (R–N.C.) and Florida's Cuban-American lobby.

IN HONOR OF THE BAYONNE ECONOMIC OPPORTUNITY FOUNDATION ON 34 YEARS OF DEDICATION TO THE CITY OF BAYONNE AND TO THIS YEAR'S HONOREES, MR. AL SAMBADE AND MR. THOMAS CUSEGLIO

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Bayonne Economic Opportunity Foundation for its continued service to the City of Bayonne, New Jersey, and this year's honorees, Mr. Al Sambade and Mr. Thomas Cuseglio.

The Bayonne Economic Opportunity Foundation, a social service agency in its 34th year, has remained a vibrant and reliable force in the community. Following the slogan, ''People Helping People,'' the foundation has remained dedicated to serving the people of the community through various outreach programs, including Head Start and Meats on Wheels. And this year's honorees truly embody the goals of this organization.

Serving as Assistant Municipal Engineer from 1981 through 1987, Mr. Sambade has worked diligently for the City of Bayonne throughout his career. From funding procurement to construction supervision of various public buildings, drainage systems, and vital water distribution systems, Mr. Sambade's contributions can be seen throughout the city.

Mr. Sambade, a registered architect, licensed engineer, and professional planner in the State of New Jersey, founded the DAL Design Group in 1987. As the organization's President, he supervised millions of dollars worth of diversified housing and commercial and industrial development projects in the State.

A graduate of the Roberson School in Bayonne, Mr. Sambade is also very active in charitable organizations, such as the Boy Scouts, Windmill Alliance, and the Hudson County ARC.

Mr. Cuseglio has been both an active and visible force in the Bayonne community for more than three decades. From 1979 through 1983, Mr. Cuseglio served as City of Bayonne Building Inspector. By 1983, because of his expertise and unmatched commitment to the City, Mr. Cuseglio was serving as City Construction Official, Building Sub Code Official, Zoning Officer, and Relocation Officer.

After retiring from the City in 1992, Mr. Cuseglio continued his commitment to his life work by accepting a part-time position with the City of Keansburg as a Field Inspector to Code and Specification for its revitalization programs. And just four years later, in 1996 returned to Bayonne as ''Clerk of the Works.'' In this capacity, Mr. Cuseglio was responsible for inspecting all construction sites.

Mr. Cuseglio remains active in community and charitable organizations. Presently, he serves on the Board of Trustees of the Bayonne Economic Opportunity Foundation.

These two men exemplify leadership and dedication to the City of Bayonne and to the Bayonne Economic Opportunity Foundation. For these tremendous contributions to New Jersey and their incredible example as public servants, I am very happy to congratulate Mr. Sambade and Mr. Cuseglio for their achievements. I salute and congratulate both of them on their extraordinary accomplishments.

TRIBUTE TO JOHN MORAMARCO

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CALVERT. Mr. Speaker, I take the floor today to recognize the outstanding career of John Moramarco, who is retiring as Senior Vice President and General Manager at Callaway Vineyard and Winery in Temecula, California—after 30 years with the winery.

John comes from a long history of vintners. In fact, he started his career at the family's Old Mission Winery in Los Angeles as a young boy, and continued the family tradition as an 11th generation viticulturalist.

Years in the family business allowed John to learn the basics of the business, and the finer points and finesse of making great wine.

It was his love of wine, and know how, that John applied to the Capistrano Winery and Vineyards in Fontana, California, which he and his brother, Mike, established. John became the vineyard's manager from 1945 to 1967, and put into place the lessons learned from his youth—grape growing, wine producing, marketing and sales techniques. He also continued to supervise the family's vines and those of several other wineries.

In 1969, Ely Callaway hired John Moramarco to plant and supervise his new vineyard in the small, rural Riverside County town of Temecula. In this position, John was instrumental in Callaway's vineyard and wine development.

Only recently have I had the privilege of working with John, and observing his talent, first hand. Wineries in Southern California are currently facing an unfortunate situation with a disease that kills grapevines and has no cure. But, John's life-time devotion to the industry has made the California Wine Industry better prepared than they may have been.

John's progressive work with professors from both the Universities of California at Davis and Riverside, gives the wine industry a relationship that they can now draw upon to solve this crisis. The industry is indebted to John's work with the universities and his willingness to devote vineyard blocks to the universities for their experiments. Those experiments have resulted in improved rootstocks, fertilizers, herbicides, mildew resistance, grafting and pruning, techniques now standard practice in California, and will give the industry the greatest chance of surviving their current crisis.

I know that I speak for everyone in the wine industry when I say, ''John will be missed.''

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MALONEY of Connecticut. Mr. Speaker, I was unavoidably detained during rollcall vote No. 567. Had I been present I would have voted ''no'' on rollcall No. 567.

ARTICLE EXPOSES HINDU FUNDAMENTALISTS' REPRESSION OF CHRISTIANS; WILL THE POPE BE SAFE IN INDIA?

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, on October 28, the New York Post ran an excellent article by Rod Dreher exposing the tyranny of what he called ''Hindu brownshirts'' who run India. He notes that the Pope is heading to India soon and wonders if the Pope and his entourage will be safe in the face of this religious violence.

Dreher wrote that ''a small but violent faction of Hindu fundamentalists aligned with the

Hindu nationalist government have been conducting an organized campaign against the Pope as part of a concerted effort to demonize and persecute the country's tiny Christian minority.''

In the article, Dreher states that there were 108 cases of beatings, stonings, church burnings, looting of religious schools, and other attacks on Christians. Freedom House, a widely respected human-rights monitoring organization, reports that there have been more incidents of violence against Indian Christians in the past year than in the previous 50 years, even though Christians make up just 3 percent of India's population.

Missionary Graham Staines and his two young sons were burned to death in their Jeeps by a Hindu mob affiliated with the ruling party. The Hindu militants surrounded the jeep and chanted ''Victory to Lord Ram.'' Last month, Hindu fundamentalists kidnapped a nun named Sister Ruby and forced her to drink their body fluids. These are only two of so many incidents that I have lost count.

There have been cases of forcible reconversion to Hinduism along with the violent incidents against Christians and Christian institutions. Many of us have been standing here discussing this, yet it continues to go on in a country that continues to proclaim itself democratic.

It is not just the Christians. The persecution of Sikhs and Muslims has been well documented in this body time and time again. India has killed over 200,000 Christians since independence, and it has also murdered over 250,000 Sikhs, more than 65,000 Muslims, and tens of thousands of others. The highest shrines of India's Sikh and Muslim communities have been attacked by the Indian government.

It is clear that there is no religious freedom in ''democratic'' India. How can we be upset about China's persecution of Falun Gong and turn our heads when India practices oppression on Christians, Sikhs, Muslims, and others?

It is our responsibility as the leader of the Free World to help ensure freedom for everyone on the planet. We must subject India to the same penalties we impose on any other country that violates religious freedom. We should stop our aid to India until it respects basic human rights, including religious freedom. We should put the Congress on record in support of self-determination for all the minority nations that India is victimizing. Finally, I call on President Clinton to stress these human rights and self determination issues when he visits India early next year.

Mr. Speaker, I would like to put Mr. Dreher's article into the RECORD for the information of my colleagues.

POPE'S PASSAGE TO INDIA MAY BE MOST PERILOUS YET

[From the New York Post, Oct. 28, 1999]

(By Fred Dreher)

Will Pope John Paul II be safe in India? There is more reason to worry for the pontiff's welfare as he visits the world's largest democracy next week than there was when he went to communist Poland under martial law.

That's because a small but violent faction of Hindu fundamentalists aligned with the Hindu nationalist government have been conducting an organized campaign against the pope as part of a concerted effort to demonize and persecute the country's tiny Christian minority.

The government promises to protect the Holy Father from coalition fanatics. But while John Paul can rely on state security, his Catholic followers and Protestant brethren remain at the mercy of Hindu brownshirts.

These thugs have carried out vicious attacks on Christians since a coalition led by the hard-line Bharatiya Janata Party (BJP) came to power two years ago.

Freedom House, the Washington-based human-rights organization, says there have been more recorded incidents of violence against India's Christian minority in the past year than in the previous half-century.

The most shocking incident took place in January, when Hindu thugs burned alive Australian missionary Graham Staines and his two little boys. That was far from a isolated incident.

In 1998, the Catholic Bishop's Conference in India reported 108 cases of beatings, stonings, church burnings, looting of religious schools and institutions, and other attacks on Catholics and evangelicals.

It has been just as bad this year. Just last month, a Catholic priest working in the same territory as the Staines family was murdered while saying Mass for converts, his heart pierced by a poison-tipped arrow.

Why the attacks? Hindu nationalist leaders, particularly those associated with the BJP-allied World Hindu Congress (VHP), claim Christians are on ''conversion overdrive.''

This is preposterous. Despite being present in India for almost 2,000 years, and educating hundreds of millions of Indian children, Christianity claims the allegiance of less than 3 percent of the country's people.

Even in Orissa state, site of the worst anti-Christian violence, fewer than 500 conversions occur each year.

Still, Hindu nationalists continue to make wild-eyed assertions, such as VHP leader Mohan Joshi's recent statement that missionary homes run by Mother Teresa's order were ''nothing but conversion centers.''

Not true, but if it were, so what?

We know perfectly well what would have become of the diseased and the destitute had Mother Teresa's nuns not rescued them from the street: They would have been left to die in the gutter condemned by a culture that decrees these lowborn souls deserve their fate.

''What has the VHP done to better the life of the low castes? The answer is nothing,'' says Freedom House investigator Joseph Assad.

''When I was in India, I talked to one Christian who was forcibly reconverted to Hinduism. He told me when no one cared for us, Christians came and gave us food, gave us shelter and gave us medicine.''

An Indian Protestant activist who lives in New Jersey told me BJP rule has meant open season on followers of Christ.

''The last two years have been unprecedented,'' the man says. ''They have burned chuches down, raped nuns, killed people. We complain to the government, but they look the other way.''

The Hindu militants certainly do not represent the sentiments of all Hindus. But these thugs have the tacit support and protection of the ruling BJP. Indeed, the BJP Web site condemns ''Semitic monotheism''—Judaism, Christianity and Islam—for ''bringing intolerance to India.''

This is what is known to professional propagandists as the Big Lie. No wonder Hindu hard-liners confidently pillage Christian communities.

How many more Hindu-led atrocities will Christians and others suffer before Prime Minister Atal Behari Vajpayee calls off the nationalist dogs?

Will it take a physical assault on the Holy Father for the world to wake up to the kind of place Gandhi's great nation has become.

IN HONOR OF THE PUERTO RICAN ASSOCIATION FOR HUMAN DEVELOPMENT, INC., ON ITS 25TH ANNIVERSARY GALA CELEBRATION

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Puerto Rican Association for Human Development, Inc., for 25 years of hard work and dedication to the residents of Middlesex County, the State of New Jersey, and the Hispanic community.

For years, PRAHD has been committed to improving the standard for living of Hispanic families through the administration of programs and services which address the social, economic, health, and educational status of these communities.

Founded in 1974 as a charitable organization by the Hispanic leadership of the Perth Amboy area, the Puerto Rican Association for Human Development operates a number of service programs. From day care, educational tutoring, and youth and family counseling, to emergency legal, housing, and medical assistance, drug prevention, and various senior services, the PRAHD serve more than 12,000 people annually. The agency creates alliances with other organizations to help revitalize communities by assisting people link needs with resources.

Since its inception, PRAHD has expanded to a comprehensive service agency with a budget of more than 1.6 million dollars through funding from federal, state, county, and city governments; the United Way of New Jersey; the United Way of Tri-County/IBM; the Turrell Fund; local corporations; and individual donors.

The agency is governed by an eleven-member board of directors selected from the community, and is administered by Executive Director Lydia Trinidad, who is also PRAHD's Chief Executive Officer. PRAHD also relies on the support and effort of community volunteers who work in all areas of agency operations.

For its unwavering commitment to the residents of New Jersey and its continued efforts on behalf of Hispanics, I ask that my colleagues join me in recognizing the outstanding work of the Puerto Rican Association for Human Development on its 25th Anniversary.

IN RECOGNITION OF THE INAUGURATION OF DR. MARGUERITE ARCHIE-HUDSON AS PRESIDENT OF TALLADEGA COLLEGE

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. RILEY. Mr. Speaker, I rise today to congratulate Dr. Marguerite Archie-Hudson on the occasion of her inauguration on November 7,

1999, as the 17th President of Talladega College in Talladega, Alabama. Dr. Archie-Hudson will be the first woman to hold this position and the first African-American woman to head a four-year institution in the State of Alabama.

Dr. Archie-Hudson began her affiliation with Talladega College when she attended the college on a full four-year scholarship and obtained a Bachelor's degree in psychology. Following her graduation in 1958, she continued her education at Harvard University, where she obtained a Masters of Education degree. She received her Ph.D. in Higher Education from the University of California in Los Angeles. In 1996, she became a member of the Talladega College Board of Trustees and has served as interim president of the college since July of 1998.

Dr. Archie-Hudson has served in many capacities in higher education in California. She was Associate Dean in the California State University System and Administrator at UCLA's College of Letters and Science. She also served from 1990–1996 as a member of the California State Legislature representing the 48th Assembly District of Los Angeles. While in the Legislature, she chaired the Committee on Higher Education and pursued policy issues in education, health, economic development and children and families. She led the campaign to build the new $129 million California Science Center in Exposition Park in her district. This is considered one of the most innovative science education facilities in the country.

Dr. Archie-Hudson served as the first nonlawyer member of the Board of Governors of the State Bar of California, the College Commission on Judicial Nominees Evaluation and the California Committee of Bar Examiners. She was elected as a trustee of the Los Angeles Community College District and appointed as Vice President of the California Museum of Science and Industry Foundation. Besides her professional and civic affiliations in California, Dr. Archie-Hudson served for 8 years on the KNBC Public Affairs Program, ''Free-4-All.''

I am delighted that Dr. Archie-Hudson has returned to Talladega College. I know that she is an inspiration for the students who attend this fine college because of what she has accomplished with her life and her active involvement in the Talladega community. I am proud to salute Dr. Marguerite Archie-Hudson as the new President of Talladega College.

CONFERENCE REPORT ON H.R. 3064, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1999

Mr. STARK. Mr. Speaker, I rise today in opposition to the DC/Labor-HHS bill's 3-month moratorium on the Secretary of Health and Human Services (HHS) organ allocation regulations which the President yesterday cited in his veto message as a highly objectionable provision. I also rise today in objection to the Organ Procurement and Transplantation Network Amendments of 1999 (H.R. 2418)—a bill to amend and reauthorize the National Organ Transplant Act of 1984.

Over 63,000 Americans are currently awaiting an organ transplant. Almost 5,000 people die each year in this country waiting for an organ transplant. Unfortunately, the current system is based on geographic boundaries—so that while a patient in one State may wait 21 days for an organ transplant, a patient in another State may wait an average of over 300 days.

The HHS organ allocation regulation attempts to move to a system based on medical necessity instead of geography. As the President stated yesterday: ''This rule, which was strongly validated by an Institute of Medicine (IoM) report, provides a more equitable system of treatment . . . its implementation would likely prevent the deaths of hundreds of Americans.'' The HHS regulation incorporates comments from the transplant community, patients, and the general public to ensure the neediest patients receive organs first—regardless of where they live.

However, the DC/Labor-HHS bill delays the HHS Secretary's organ allocation rules. The current 90-day moratorium may not sound like a lot of time—but to patients awaiting transplants, every day counts.

Furthermore, during those 3 months, much can be accomplished by those who oppose the Secretary's regulation. For example, the Organ Procurement and Transplantation Network Amendments of 1999 (H.R. 2418) could reach the House floor. H.R. 2418 would render moot the recently revised HHS organ allocation regulations. Further, the bill would remove the Secretary's legitimate authority to oversee the program, provide unreasonable protections for the current contractor, while it simultaneously makes data less available to the public.

The United Network for Organ Sharing (UNOS) is the current private contractor in charge of distributing organs procured for transplant. H.R. 2418 essentially gives UNOS a monopoly on the contract. I am submitting the following article from the most recent issue of Forbes magazine as further evidence of the need to oppose legislation which protects the current contractor and of the imperative need to oppose any delay of the HHS organ allocation regulation:

[From Forbes Magazine, Nov. 1, 1999]

THE ORGAN KING

(By Brigid McMenamin)

Ever since Forbes exposed the federal monopoly that's chilling the supply of transplantable organs and letting Americans who need them die needlessly (Forbes, Mar. 11, 1996), Health & Human Services Secretary Donna Shalala has been trying to challenge the way United Network for Organ Sharing operates.

But the Richmond, Va.-based cartel will have none of it. Using a heavy-handed mix of litigation, lobbying and bullying of its opponents, UNOS has solidified its position as the federal contractor in charge of deciding which people get new kidneys, livers or hearts.

Under the UNOS system, most organs are shared only within 62 regional territories. A potential recipient in, say, New York, where donations are low, can expect to wait months for an organ to show up, even though there may be so many donors across the river in New Jersey that New Jersey patients are getting transplants after short waits or when they are far from desperate.

Though UNOS has begun to relax the locals-first policy, still, last year 4,855 Americans died while waiting for transplants. (This doesn't even count people pulled off the list after they became too sick to handle a transplant.) It is a matter of debate how much lower the number of deaths would be if the system for obtaining and allocating organs were more rational. But Consad, a research outfit in Pittsburgh, estimates that at least 1,000 people die needlessly each year.

When Shalala urged that organs be shared over wider regions, UNOS Executive Director Walter K. Graham refused. He decreed, in a memo to his member hospitals and organ banks, that UNOS doesn't have to take direction from the federal government on this point.

UNOS' main source of funding is the $375 registration fee potential organ recipients must pay to get on the waiting list. That amounts to some $13 million a year, money that is supposed to be spent mostly to match organs with suitable recipients. In reality, at best half of the money goes to that.

What about the rest? Graham and his 40 board members spend some $1 million each year on jetting around and on meetings and conferences. A new $7 million headquarters building is planned. In 1997, some $1.6 million went for items network officials refuse to explain. ''They really never tell you what they're spending money on,'' says veteran board member John Fung, a liver surgeon at the University of Pittsburgh.

When Shalala tried to exert more control over the rising registration fees, Graham challenged her in a proceeding before the U.S. General Accounting Office, claiming she had no right even to know how he spent the fees. The suit was settled; Shalala backed down.

Why not simply bring in another contractor to ration organs? Good luck. The congressional committee in charge of such matters is headed by Representative Thomas Bliley, from UNOS' home city of Richmond. His cousin Paul S. Bliley is a law partner of UNOS lawyer Malcolm E. (Dick) Ritsch. Last fall, then-Louisiana Congressman Robert Livingston, whose home state includes eight profitable transplant centers, pushed through a bill halting further attempts by Shalala to control the contractor.

After the Senate rejected this moratorium, Livingston got it tacked onto another bill behind closed doors by threatening to hold up funding for the International Monetary Fund. The moratorium ends Oct. 21. But UNOS has already had Wisconsin Congressman David Obey tack another one-year extension onto a bill that was set to go to the full House for a vote in October. His state's four transplant centers stand to lose organs if UNOS loses its grip.

Craig Howe, executive director of the National Marrow Donor Program, recently expressed interest in having his organization bid on the organ contract. After UNOS found out he was interested, his board members, who include 14 physicians, axed him. Although some powerful and prominent surgeons like Fung are an exception, most doctors involved in the business fear offending UNOS lest their organ supply be affected.

In another instance FORBES is aware of, UNOS threatened to retaliate against an outfit it perceived as a rival bidder for the organ allocation job.

Tax-exempt groups like UNOS are supposed to make their financial statements available for public perusal. But UNOS hides significant activity behind two little-known affiliates that aren't required to disclose anything.

The first is the UNOS Foundation, a six-year-old shadow organization run by UNOS staffers. Spokesman Robert Spieldenner claims the foundation doesn't have to file tax returns because it brings in less than

$25,000 a year. The UNOS Foundation owns something called the Transplant Informatics Institute, a for-profit company run by organ network staffers. Transplants Informatics is so secret that even some UNOS board members are unaware that it exists.

What does the institute do? The government thinks it markets UNOS-developed software to organ network members. In an audit looking into the use of registration fees for lobbying, the Office of the Inspector General got just that impression. What the institute really does is analyze and sell organ network data to profit-making companies like Fujisawa, the Japanese firm that sells drugs for transplant patients. When the institute has not been able to cover its costs with such sales, UNOS has used its registration fee income to make up the difference. Prospective organ recipients are therefore effectively funding this hidden business.

You'd think someone on UNOS' board would scream bloody murder about all this. After all, the 40-person board is almost half doctors, dedicated to saving lives. But the directors have little idea what's going on. ''The board is kind of in the dark,'' sighs patient advocate Charles Fiske, a former board member.

''We received an annual financial report and pretty much accepted it as written,'' says University of Oklahoma transplant doctor Larry R. Pennington, a board member from 1996 to 1998. They really don't know how to interpret the data. ''All I'm familiar with is hospital sort of activity,'' admits transplant physician William Harmon.

Realizing that UNOS is out of control, Shalala has put out feelers for a replacement. ''I hope we have some bidders this time,'' sighs Claude Fox, a pediatrician who, as administrator of the Health Resources & Services Administration, oversees transplants for Shalala. The only prospect so far is Santa Monica-based Rand.

Determined to see that Rand does not walk off with the contract, UNOS' lobbyists are pushing for a law that would insure that Graham's group will keep the contract forever. Last month Bliley's committee held hearings on a bill which would require the organ rationing contractor to have experience, something no group but UNOS has. It would also allow UNOS' members to vote on the choice.

''Anything that gives them more of a stranglehold isn't in the public interest,'' says Fox. ''It's like giving the EPA to some land-fill company,'' says Dr. Fung.

It would be nice if UNOS didn't have a lock on this business. Better still if the federal government stepped out of the process altogether and let doctors come up with creative ways to increase the supply of organs. (How about giving people who sign up as potential donors when they are young some priority in getting organs when they are older?) Once there are enough hearts and livers to go around, there won't be unaccountable arbiters holding sway over our lives.

IN SPECIAL RECOGNITION OF DICK G. LAM, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Dick G. Lam, Jr. He has been instrumental in developing and implementing economic and academic development programs. Dick remains committed to improving the quality of life in his community. Presently, Dick is the President of Operation Salvation for Youth (OSY). As the president, he directs a Brooklyn based organization devoted to helping youth gain digital literacy and access to new technology. In the program, special emphasis is placed on welfare mothers who have young children. The OSY is currently working with the New York City Housing Authority, the Miracle Makers, Inc., and several private firms on the development of a new project.

Dick's work continues to provide a foundation for social progress. As a Senior Fellow for the Department of Urban Affairs and Planning at Hunter College, he worked to develop a Spatial Analysis Management System to analyze a range of urban problems, including transportation, housing and welfare to work issues. Dick also holds advisory positions as the Senior U.S. Consultant to the Tianjin Municipal Utility Bureau, The Peoples Republic of China and the Senior U.S. Consultant to the All China Taxi Association, The Peoples Republic of China.

Our community is a better place today because Dick has chosen to commit himself to urban renewal and development. Dick has accomplished his objectives by working in key positions such as: Director of the Mayor's Office of Midtown Manhattan Planning and Development, New York City, Director of Transportation and Regional Planning, New York City Planning Commission, and Special Assistant to the Deputy Under Secretary, United States Department of Transportation. Our society is a better place today because of the contributions made by Dick.

I commend Dick G. Lam, Jr. and pray that he will succeed in all future endeavors.

IN HONOR OF MR. RAMON DE LA CRUZ, PRESIDENT OF THE HISPANIC BAR ASSOCIATION OF NEW JERSEY, FOR HIS OUTSTANDING ACHIEVEMENTS THIS YEAR

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Mr. Ramon de la Cruz, President of the Hispanic Bar Association of New Jersey, for his outstanding work on behalf of the Hispanic Community.

An active member of the Hispanic Bar Association for more than ten years, Mr. de la Cruz was recently appointed as the New Jersey Regional President of the organization. And he has shown continued commitment to its growth and success.

From fighting racial profiling and domestic violence, to battling against anti-diversity efforts across the country, the Hispanic Bar Association has been a motivating and unifying force for the Hispanic community in New Jersey under Mr. de la Cruz's leadership.

In addition, Mr. de la Cruz and the H.B.A. of New Jersey have worked extensively with several associations to bring attention to the lack of Hispanic representation on the New Jersey federal judiciary. Because of his efforts and vision, Mr. de la Cruz was instrumental in the recent recommendation of New Jersey's first ever Hispanic to be nominated to the U.S. Court of Appeals of the Third District in the State.

Knowing the importance of a clear and unified message from the H.B.A., Mr. de la Cruz served as editor of ABOGADO, the official newsletter of the Hispanic Bar Association of New Jersey, Inc., for four years. Highlighting the accomplishments of fellow Hispanic abogados y abogadas, as well as confronting the tough issues that the Hispanic community faces, Mr. de la Cruz's work has made the newsletter an informative report to the community.

For all of these achievements and for his remarkable leadership, I ask my colleagues to join me in congratulating Mr. de la Cruz and the H.B.A. on another year of hard work and dedication to both the Hispanic community and the State of New Jersey.

INTRODUCING THE SOCIAL SECURITY NUMBER CONFIDENTIALITY ACT OF 1999

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CALVERT. Mr. Speaker, I rise today to introduce the Social Security Number Confidentiality Act of 1999. In a time of increasingly easier access to personal information by people other than the owner of that information, ''Identity Theft'' is becoming more and more of a problem.

Given this significant problem, I found it alarming to learn from senior citizens in my district that the Social Security Administration openly displays a recipient's Social Security number, name and address in the window of the envelope. This same envelope makes its way through the United States Postal system.

By simply taking a quick peek in a mailbox, or in a pile of mail left in a person's car, anyone could obtain the information needed to steal someone's identity. The open display of such private and confidential information is an invitation for scam artists to rip off our senior citizens.

As I investigated this situation, I found that the Social Security Administration knowingly continues this practice. At the same time they advocate the need to keep Social Security numbers confidential.

Ironically, in the July/August issue of Social Security Today, the agency advises us that, ''All the information Social Security collects about you is kept confidential: it's protected by law,'' and reminds us to ''protect your Social Security number. Be careful how you use it and keep it confidential whenever possible.''

Mr. Speaker, this is a glaring inconsistency that requires immediate attention. My legislation will prohibit the appearance of Social Security numbers on or through the window of unopened Social Security checks. It will allow the Social Security Administration to practice what they preach—that we all need to be careful and keep our Social Security numbers private and confidential. In all fairness, the checks are printed by the Department of Treasury, and my legislation will direct them to change their procedures.

In closing, I ask my colleagues on both sides of the aisle to join me in supporting the Social Security Number Confidentiality Act of

1999. This important legislation protects our senior citizens from scam artists and maintains the privacy and confidentiality of our Social Security numbers.

TRIBUTE TO TODD STORZ

HON. LEE TERRY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TERRY. Mr. Speaker, I rise today to honor Todd Storz by marking the 50th anniversary of the creation of the Mid-Continent Broadcasting Company, later known as the Storz Broadcasting Company.

Todd Storz developed the radio rotation format known as ''Top 40.'' This innovation made rock and roll a part of American history and changed the sound of radio forever. Through his Mid-Continent Broadcasting Company, Todd Storz initially influenced radio in Omaha, Kansas City, St. Louis, and New Orleans. Soon, other radio stations adapted their formats to the ''Top 40'' rotation style. His pioneering work in radio made popular music a component of American culture.

Todd Storz's idea for ''Top 40'' radio came about through competition with a rival station that featured a one hour ''Top 20'' radio show. The two hour ''Top 40'' format won over listeners as well as other radio programmers. As a result, it soon became the standard format. The Mid-Continent Broadcasting Company's successful approach to radio broadcasting helped radio survive and flourish in spite of the popularity of television.

I encourage my colleagues to join me in honoring Todd Storz on the 50th anniversary of the founding of his Mid-Continent Broadcasting Company.

IN SPECIAL RECOGNITION OF SAM GUBODIA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Sam Gubodia. Sam, a native of Nigeria, has dedicated his life to the academic and economic empowerment of our community. He strives to improve the quality of life for African Americans and the African World. Our society needs more educators and business leaders like Sam because he has helped to rebuild our community. Sam has utilized his knowledge and skills to make positive changes in the African American community.

Before and after completing his doctorate degree in International Finance, Sam has worked diligently to uplift African American and African World people. Upon arriving in the United States, Sam embarked on a promising academic and career path. He worked as a Consular Assistant at the Nigerian Consulate General. As a student at Stony Brook, Sam held many notable positions: for example, he was President, African Students Organization (1977–1979), and he organized several clothing drives for the people of South Africa and Zimbabwe, and he served a President of the Third World Graduate Students Organization (1980).

While attending graduate school at Stony Brook, Sam realized that he would be a great service to his community if he pursued an academic profession, and from there he began to work as an educator. Sam has held many positions as an educator: He taught at Bendel State University, The University of Benin, Stony Brook, and The College of New Rochelle. Currently, Dr. Gubodia is an exemplary Grade Leader-Advisor for the Honors Economic Program at Boys and Girls High School. The lives of many people have been enriched because of Sam, and our community appreciates the important role that he has played as an educator. Sam is also a published scholar, and we appreciate his innovative ideas on economic development.

I commend Sam Gubodia and pray that he will succeed in all future endeavors.

CONFERENCE REPORT ON H.R. 3064, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1999

Mr. MOORE. Mr. Speaker, I rise to express my profound disappointment with the legislative process in this chamber and the bill that is before us today.

In the House of Representatives, we have one primary duty—to pass the thirteen annual appropriations bills. Today, one day before the scheduled adjournment date, we have not yet completed our work on five of the thirteen. To add insult to injury, we are being asked to vote on a ''pre-conferenced'' Labor-HHS-Education spending bill that this House has not the opportunity to debate and amend under regular order.

To say that the bill before us today misrepresents national priorities would be false—in fact, the bill before us today represents no priorities. Perhaps, if the House had an opportunity to address this bill in the normal fashion—with debate, amendment and compromise—the House could have come to consensus as it has for the past 105 Congresses. Of course the federal government can cut 1% of fat—but to blindly cut that 1% across the board is lazy and irresponsible.

Mr. Speaker, the priorities of the Kansans that I represent are ill-served by this hamhanded approach to legislating that is before us today. This bill would block grant the class-size reduction initiative enacted by Congress last year, and deny $200 million needed to hire 8,000 new teachers. A 1% across-the-board reduction would cut benefits for 71,000 needy individuals benefiting from supplemental nutrition program for Women, Infants and Children (WIC). It would result in 1.3 million fewer ''Meals on Wheels'' delivered to shut-in seniors and 4,888 fewer low-income children being able to benefit from the highly successful Head Start program.

I am voting against this bill today hoping that the House will go back to the drawing board and, like the Senate, set responsible spending levels that reflect our priorities as a nation.

IN HONOR OF THE WEST HOBOKEN SOCIAL & ATHLETIC ASSOCIATION OF UNION CITY, NEW JERSEY, ON ITS 50TH ANNIVERSARY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the West Hoboken Social & Athletic Association of Union City, New Jersey, for its hard work and dedicated service to the community for the past fifty years.

Organized after World War II to reunite friends and foster continued camaraderie, the WHSA championed public and private causes in an effort to follow its motto, ''service to the community.''

During the early years, the association sponsored several sports teams to encourage youth involvement in athletics. Today, it continues that tradition by offering youth athletic programs and positive adult role models as coaches. The WHSA was instrumental in providing the necessary financial aid and guidance to one young athlete who competed in the World Special Olympics.

The WHSA has developed programs to help the members of their communities by providing a summer camp program for underprivileged children, awarding savings bonds to school children for higher education with the ''Edward Trevelese History Award,'' and organizing companionship and entertainment for the elderly through the ''Walter Scarpetta Nursing Home Volunteers'' program. The WHSA continues to work with other organizations and charities such as the American Red Cross, Salvation Army, and United Cerebral Palsy, providing expertise, leadership, and support.

For its service to the residents of the West Hoboken community in the State of New Jersey, and its long tradition of active leadership, I ask that my colleagues join me in honoring the West Hoboken Social & Athletic Association and all of its members as it celebrates its 50th anniversary.

IN SPECIAL RECOGNITION OF PEGGY RODGERS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Peggy Rodgers. Peggy is a community activist who has dedicated her time to assisting people in need. As a volunteer in State Senator John Sampson's office, she focuses on helping senior citizens and homeless people. She diligently works on finding adequate housing for senior citizens and the homeless.

Peggy is a hard working model citizen. After graduating from Canarsie High School, she went on to attend Brooklyn College. At Brooklyn College, Peggy recognized her interest in business, and, as a result, she decided to pursue an education at the Robert Finance Business Institute, where she received a certificate in Business Management. Upon completion of her studies, Peggy worked at Merrill Lynch Brokerage Firm in Accounts Receivable.

The commitment and drive exhibited by Peggy continues to greatly benefit our community. She understands that one must remain politically active in order to bring about improvements in our society. She has been out in the trenches struggling to ensure that competent, qualified, and concerned people hold the elected positions in her community. She continues to function as an active member of the Breukelen Tenants Association.

In describing Peggy, I would have to use the words, motivated, cooperative, and charitable. The needs of other people are paramount to Peggy. I commend Peggy Rodgers and pray that she will succeed in all future endeavors.

TRIBUTE TO U.S. ARMY COMMAND SERGEANT MAJOR RONALD W. BEDFORD—A REAL AMERICAN HERO

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. EVERETT. Mr. Speaker, our society has cheapened the name of heroes today by elevating millionaire movie, music and sports stars while ignoring those Americans who perform unselfish acts of courage and sacrifice. I wish to pay tribute to an American whose character and actions truly define heroism.

On September 2, the 54th anniversary of VJ-DAY, U.S. Army Command Sergeant Major Donald W. Bedford, began a 1,500 mile journey from Mobile, Alabama to Washington, DC. His trek, which takes him through six states and the District of Columbia, is remarkable because it is entirely on foot. But CSM Bedford is not walking this enormous distance to set any record. Instead, he is striding the 71-day route to bring attention to and raise funding for the construction of a national memorial to honor America's greatest generation of heroes—those who fought in World War II.

Bedford, an ex-airborne infantryman now stationed at Fort Rucker, Alabama in my congressional district, came up with the idea of the walk after learning that there was no national memorial for the 16 million Americans who served and sacrificed to liberate the world from Nazi and Japanese occupation in World War II. His efforts to help raise money for the on-going World War II Memorial fund have gained the support of the Non-Commissioned Officers Association, and the praise of former Senator Bob Dole, who chairs the World War II Memorial Committee.

CSM Bedford's journey of 2,792,000 steps will take him through 144 cities and 15 military installations before he arrives at Arlington National Cemetery on November 11. From there, he will cross Memorial Bridge, pass by the Lincoln Memorial, and then proceed to the spot on the national mall where the World War II Memorial will be built next year.

I salute CSM Bedford for his personal sacrifice and dedication to America's greatest generation and I join all Americans in welcoming him to Washington this Veterans' Day.

PERSONAL EXPLANATION

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. CARSON. Mr. Speaker, I was unavoidably absent Monday, November 1, 1999, and Tuesday, November 2, 1999, and as a result, missed rollcall votes 550 through 556. Had I been present, I would have voted ''yes'' on rollcall vote 550, ''yes'' on rollcall vote 551, ''no'' on rollcall vote 552, ''yes'' on rollcall vote 553, ''yes'' on rollcall vote 554, ''yes'' on rollcall vote 555, and ''yes'' on rollcall vote 556.

WITHDRAW COSPONSORSHIP OF H.R. 2528

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. BECERRA. Mr. Speaker, today I withdraw my cosponsorship of H.R. 2528. I was an original cosponsor of H.R. 2528, the Immigration Reorganization and Improvement Act of 1999, because I support any effort to jumpstart—or better put, restart—the Immigration and Naturalization Service (INS). Chairman HAROLD ROGERS, Chairman LAMAR SMITH and Representative SILVESTRE REYES have worked diligently to fashion a restructuring bill and are doing what they believed best moves us toward that end. I had concerns about the bill when I first signed on. But I felt it was important to support efforts to restructure the INS. I had hoped H.R. 2528 would move in a direction addressing my concerns. However, at this stage I find that the current status of the bill falls short of meeting the elements necessary to make it a meaningful reform that will place the INS on solid footing to effectively address its obligations.

History has shown that the INS does not receive the resources necessary to carry out its duties in the area of services and adjudication. This is why the backlog of pending naturalization applications grew to approximately 2.0 million and currently stands at approximately 1.4 million. Far too many of those backlogged applicants waited or have been waiting over 2 years for their cases to be adjudicated. The backlog and delay in other adjudication areas—adjustments of status and the green card replacement program, for instance—are as bad if not worse than for naturalization. As such, my primary concern pertains to the financing mechanisms within the INS for the services and adjudication functions of the agency. Current law and its implementation fail to meet this challenge. And H.R. 2528 falls far short as well. So long as we continue to require fees collected from immigrants for a particular service to pay for non-fee activities, we will always run into budgetary problems and services will suffer. H.R. 2528 authorizes no funds whatsoever for backlog reduction or asylum and refugee processing. This additional strain on already stretched resources, with no additional funding, will only exacerbate the backlogs as well as undermine the United States' ability to meet the protection needs of refugees and asylum seekers.

I am also seriously concerned that H.R. 2528 does not go the necessary mile to ensure that these newly independent agencies of the Department of Justice's immigration until function properly under the oversight and direction of a principal executive. While autonomy for the enforcement and service agencies will allow them to perfect and specialize in their areas of responsibility, too much distance between them could foil the ability of the Department of Justice to direct, coordinate and integrate the overlap in enforcement and service functions. The latest version of H.R. 2528 improves upon the original bill by adding an Assistant Attorney General as that principal in charge. However, it maintains three separate legal and policy offices which will lead to multiple interpretations of immigration, refugee and asylum law. This structure will bear three bureaucracies instead of one and cultivate confusion among the three arms of the agency.

I am committed to continuing to work with the authors of H.R. 2528 along with the Immigration Subcommittee members and the Clinton administration to strengthen the structure of the INS so that it can finally, rightfully handle all duties under its charge. The people of America who must turn to the INS for services—and who happen to pay the taxes and fees to fund this and all other government operations—deserve no less.

TRIBUTE TO LEVI PEARSON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. CLYBURN. Mr. Speaker, this Saturday, November 6, 1999, the South Carolina Department of Archives and History will dedicate a historic marker to honor Levi Pearson, a leader in the civil rights movement in Clarendon County, South Carolina. Mr. Pearson personified great courage, leadership and perseverance in his role as a plaintiff in Pearson v. County Board of Education (1948) which led to the historic May 17, 1954 Supreme Court decision outlawing separate and unequal schools. Recordings of the civil rights movement in South Carolina rank him among the state's most outstanding pioneers for equality in education. Many local and national events, news articles, books and television documentaries recognize his role in the struggle which led to the Supreme Court's decision. Simple Justice by Richard Kluger and Stepping Stones to the Supreme Court by Benjamin F. Hornsby, Jr. are two publications that depict many of the details of Mr. Pearson's trials.

For background, Mr. Speaker, I wish to enter for the record information from an article which was written as a tribute to him when he was inducted into the South Carolina Black Hall of Fame:

''An obscure country farmer, Levi Pearson never dreamed that his legal action on behalf of black children in Summerton, South Carolina would figure in the historic May 17, 1954 U.S. Supreme Court decision outlawing separate and unequal schools. They are role models and an inspiration to all who value freedom and justice. As a partner, in the Clarendon County insurrection led by the Rev. Joseph Albert Delaine, Levi Pearson had unshakable faith in the victory of justice over an entrenched social order that seemed all but immovable.

Black children in Summerton attended ramshackle Scott's Branch School, while white children attended classes in a modern facility. White school board officials said white folks paid most of the taxes, so white people were therefore entitled to better schools. There were 30 school buses for whites in Clarendon County. None for Blacks. Some black youngsters had to make their way for nine miles across an arm of newly-formed Lake Marion. One child drowned as they paddled a boat. Appeals to schools officials for transportation such as that offered white failed. The school officials even refused to buy gas for an old bus the blacks bought.

Farmer Levi Pearson, father of three children at Scott's Branch School (Daisy, James, and Eloise) was persuaded to bring a suit on behalf of his son, James. A black man suing white folks * * * no such thing had happened before in the memory of blacks living in Clarendon County. Levi Pearson was an instant hero among his people. But a threat to the white establishment. His credit was cut off by every white-owned store and bank in the county. He had enough money to buy seeds for the cotton, tobacco, oats and wheat he planted, but not enough for fertilizer. He had to cut timber to sell for cash, and borrow from hard-pressed blacks to buy fertilizer. That Autumn he couldn't rent a harvester from a white farmer, so he sat and watched as his harvest of oats and beans and wheat rot in the field. Three months after he filed the lawsuit, it was thrown out because of a technicality that he paid taxes in School District Five, while his children were going to school in District 26 for the high school and District 22 for the Grammar School. Another pupil's parent, Harry Briggs, Sr., filed suit a year later. He and Pearson had to flee for their lives many times. Briggs and his family lived in Florida and New York for 20 years before returning to Summerton in the 1970's but Mr. Pearson never left. Ultimately, their case was consolidated with similar cases from three other States in an action known as *Brown vs. Board of Education,* upon which the door to equal education opportunity was opened in the Supreme Court's Decision of May 17, 1954.''

Mr. Pearson never sought fame or notoriety, but stood up for what he felt was right. I am reminded of the speech the late Dr. Martin Luther King gave about the ''Drum Major Instinct.'' A few excerpts go like this:

''* * * everybody can be great. Because everybody can serve. You don't have to have a college degree to serve. You don't have to make your subject and your verb agree to serve. You don't have to know about Plato and Aristotle to serve. You don't have to know Einstein's theory of relativity to serve. You don't have to know the second theory of thermodynamics in physics to serve. You only need a heart full of grace. A soul generated by love. And you can be that servant.

''* * * Every now and then I guess we all think realistically about that day when we will be victimized with what is life's final common denominator—that something we call death. We all think about it. And every now and then I think about my own death, and I think about my own funeral. and I don't think of it in a morbid sense. Every now and then I ask myself, ''What is it that I would want said? And I leave the word to you this morning.

''* * * If I can help somebody as I pass along, if I can cheer somebody with a word or song, if I can show somebody he's traveling wrong, then my living will not be in vain. If I can do my duty as a Christian ought, if I can bring salvation to a world once wrought, if I can spread the message as the master taught, then my living will not be in vain.

Yes, Jesus, I want to be on your right side or your left side, not for any selfish reason. I want to be on your right or your best side, not in terms of some political kingdom or ambition, but I just want to be there in love and in justice and in truth and in commitment to others, so that we can make of this old world a new world.''

Mr. Pearson, and Mr. and Mrs. Briggs are now deceased. However, Mr. Pearson's widow still vividly remembers his struggles and this historic period in our Nation's history. Mr. Pearson lived a Christian and committed life for justice and we all know that his living was not in vain. Mr. Speaker, thank you and my colleagues for joining me in honoring the Levi Pearson who increased educational opportunities for children across the country.

HONORING AMERICA'S VETERANS

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. MANZULLO. Mr. Speaker, one year ago I had the privilege of participating in a memorable Veterans Day program at the Alden-Hebron Elementary School in Hebron, Illinois, in the district I represent. That was a special day for me in many ways. I will never forget having the honor of presenting the Bronze Star to CPL Harold Myers, the school's custodian, for his bravery during the Battle of the Bulge. His gallantry in the service of his country was a reminder of why we commemorate Veterans Day.

It was also heartwarming to witness a new generation of young Americans coming to understand and acknowledge the sacrifices made by past generations of American veterans. As a number of students recounted brief stories about how we as a nation came to set aside November 11th as a day to recognize our veterans, I couldn't help thinking how important it is to keep the flame of patriotism burning brightly in the hearts of each new generation of Americans. They will be the ones who will carry on, and in some cases defend, the values that have made our nation great. The students of Alden-Hebron Elementary have a clearer understanding of the American spirit because they see it personified in Harold Myers, who not only serves as their school custodian, but because of his service to his country, is a genuine American hero.

Mr. Speaker, as a tribute to the American men and women who have served this country throughout our history and in recognition of the students of Alden-Hebron Elementary School, I submit for the RECORD statements made by a number of the students honoring our nation's veterans:

VETERANS DAY

In 1921, an American soldier—his name ''known but to God''—was buried on a Virginia hillside overlooking the Potomac River and the city of Washington. The Arlington National Cemetary burial site of the unknown World War One soldier became a place of honor to all American veterans. Similar ceremonies were held in England and France where an ''unknown soldier'' was buried in each nations place of honor.

These ceremonies all took place on November 11 to recognize the end of World War One which ended on the 11th hour of the 11th day of the 11th month in 1918. It became known as Armistice Day. Over four and a half million Americans served in the military and over 100 thousand died in battle during this war. Today, only 3,200 veterans from that conflict are alive.

On December 7, 1941 the United States entered World War Two. 16 million men and women entered the military services during this time. Four hundred six thousand Americans died fighting in World War Two. Today over 6 million veterans from that time are still living.—Crystal Stolarik

VETERANS DAY

On November 11th 1947 in Birmingham, Alabama a Veterans Day parade was organized to honor all veterans. U.S. Representative Edward H. Rees of Kansas proposed changing Armistice Day to Veterans Day. In 1954 President Eisenhower signed a bill proclaiming November 11th as Veterans Day, and he called on all Americans to rededicate themselves to the cause of peace.

On May 30, 1958 two more unidentified Americans war dead were brought from overseas and buried in Arlington Cemetery beside their World War One comrade. One was killed in World War Two and one in the Korean War.

To honor these men symbolic to all Americans who Gave their lives in battle an Army honor guard, the 3rd U.S. Infantry (The Old Guard) keeps day and night watch.—Becky Peterson

VETERANS DAY

In 1968 a law passed that changed the national commemoration of Veterans Day to the fourth Monday in October. Soon it became apparent that November 11th was a matter of historic and patriotic significance to a great number of our citizens. Congress returned observance of this special day back to its traditional date in 1978.

The focal point of ceremonies conducted by the Veterans Day National Committee continues to be at the Arlington National Cemetery at the Tomb of the Unknowns. The cemetery, established in 1864 is now operated by the Department of the Army.—Brianna Borman

VETERANS DAY

Tomorrow at 11 o'clock a combined color guard Representing all military services honors the unknowns by Executing ''Present Arms'' at the Tomb. The Nation's tribute to Its war dead is symbolized by the lying of a Presidential Wreath and the bugler sounding ''taps''. The sounding of ''taps'' remembers the over one million Americans killed in war and the 41 million Americans who have served in the military during times of war. They served in 11 wars from the Revolution to the Persian Gulf earning the special distinction of ''Veteran''.

Today there is, and perhaps there always will be, conflict in the world. But the United States enjoys peace and freedom.—Marty Ladafoged

HAROLD MYERS MILITARY SERVICE

Harold Myers was inducted into the U.S. Army on March 19, 1942 at Fort Benjamin Harrison, Indiana. He then went to Camp Claiborne, Louisiana to train on the 30 and 50 caliber machine guns with the 82nd Infantry Division. Training for paragliders was

then given at Fort Bragg. A glider was used by towing it behind a cargo plane attached with a cable, then released when close enough to the final destination. Glider duty was extremely dangerous. The Glider which Corporal Myers flew held 4 soldiers and 1 jeep. Corporal Myers left the United States for Casablanca, Morroco on April 29, 1943. After arriving in North Africa his division traveled to Bizerte, Tunisia, a staging area for the invasion of Sicily and Italy. On Sept. 10, 1943 Corporal Myers landed at Maiori, Italy under the command of General Darby's Ranger Force.

After the Sicilian and Italian campaigns Corporal Myers division returned to Ireland of Normandy. The Germans defended against glider landings by cutting tree tops off and stringing barbed wire across them. This prevented the gliders from successfully landing. Instead of an airborne assault Corporal Myers' division landed Normandy (Omaha Beach) by LCI, an infantry landing ship, took their objective St. Mere Eglise.

On June 13, 1944 Corporal Myers' squad was providing air defense for the Division Reserve. As an American convoy passed it came under attack for a captured English Spitfire piloted by a German Officer. Corporal Myers alertly manned his machine gun and shot down the plane on its second pass saving the many soldiers under attack.

Corporal Myers and his division returned to England to ready for the invasion of Holland. On Sept. 23, 1944 Corporal Myers co-piloted his glider over the English Channel and successfully landed in Holland with men and jeep intact.

On December 29, 1944, while in Belgium during the Battle of the Bulge, Corporal Myers squad came under heavy fire. 2 men under Corporal Myers' command were killed by an enemy shell which also wounded Corporal Myers and another soldier. He was taken to a field hospital and later returned to the United States. He saw 1 year, 10 months, and 13 days of overseas duty. He fought in the Sicilian, Italian, Normandy-France, and Rhineland Campaigns. His awards include the Glider Badge, Good Conduct Medal, the European-African Theater Medal with 4 stars, and the Purple Heart. Corporal Myers was honorably discharged from the United States Army on 28 Sept. 1945.—Matt Crocco and Eric Schaid

CAL STATE HAYWARD PROFESSOR JULIE GLASS IS NAMED CALIFORNIA PROFESSOR OF THE YEAR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. STARK. Mr. Speaker, I rise today to recognize California State University-Hayward Professor Julie Glass, who has been chosen by the Carnegie Foundation as California Professor of the Year. Dr. Glass hosts a cable television program devoted to college algebra, has authored math-oriented children's books, and is co-founder of a math and science day camp for school-age girls.

The Carnegie Foundation, a policy center devoted to strengthening America's schools and colleges, and the Council for Advancement and Support of Education (CASE) which represents 2,900 colleges, universities and independent elementary and secondary schools recently joined to select 44 state winners. Dr. Glass was selected from among 20 nominees at universities throughout California.

Among Dr. Glass' most visible contributions to Cal State-Hayward are the two programs she has developed for the university CableNet television station, which reaches 120,000 East Bay households. The first, Math on TV, was a video course that ran 2 years ago which targeted high school students preparing for mathematics placement exams.

The second program developed by Dr. Glass is College Algebra, which can be viewed on CableNet, Channel 26 in the Hayward area. The course is offered for college credit, and has an Internet component that allows students to interact with the instructor.

Among other projects, Dr. Glass has co-developed the Mathematical Explorations for Girls' Achievement Camp, a summer enrichment program to encourage girls ages 10–12 to pursue an advanced education in mathematics and science. Program participants have traveled to a wastewater treatment plant and the NASA Ames Center to learn more about career opportunities in these fields.

Dr. Glass also has several children's books with mathematical themes to her credit, and helps to train Cal State-Hayward student interns to work with students from local high schools on their math skills.

We thank Dr. Glass for all she has done to promote proficiency in mathematics and science, and for inspiring young people who would otherwise not consider a career in these fields. We are extremely fortunate for educators who encourage students to become independent thinkers, and help students build the skills they need to participate in the global, technological economy. We are very grateful for a professor who makes it her life's work to prepare our children to be productive adults. We send Julie Glass our warmest congratulations and thanks.

ESTABLISHING THE NATIONAL CENTER FOR SOCIAL WORK RESEARCH

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RODRIGUEZ. Mr. Speaker, I have introduced legislation that will provide a clearinghouse for the latest research on issues of significant social concern so that national policymakers can make informed and sound decisions. The bipartisan legislation I am introducing with Representative ASA HUTCHINSON will create a National Center for Social Work Research at the National Institutes of Health. The research conducted and supported through this Center will provide Congress, government agencies and other policymakers with empirical research on how to address social problems such as school violence, depression, mental illness, domestic violence, child abuse, teen pregnancy and a host of other challenges facing our society.

Social workers are in a unique situation to provide such valuable research. They approach both service delivery and research from an interdisciplinary, family-centered, and community-based approach. This comprehensive approach also takes into account a wide-range of social, medical, economic and community influences—information that we as policymakers need to make better informed decisions.

For example, this year Congress has struggled to develop comprehensive legislation on how to deal with the spread of school violence. Unfortunately, there is not one place we as policymakers can turn in order to receive the latest, up-to-date research on what other communities or States are doing to approach this serious issue. Through the National Center for Social Work Research, we can ensure that all research conducted on issues of serious social concern are collected and made available through one entity.

Currently, the Federal Government provides funding for various social work research activities through the NIH and other agencies. However, we currently lack coordination or direction of these activities.

I look forward to working with my colleagues on providing us with a research center that we can turn to for help on formulating policy that will improve the lives of women, children, and families in our communities. The collection of this important data will help us find solutions so that children can feel safer at school, women will no longer suffer from abuse, and communities and States will be empowered with resources on how to deal with major social issues. We owe it not only to ourselves but the women, children and families that rely on us to make informed policy decisions on a daily basis.

PERSONAL EXPLANATION

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SHOWS. Mr. Speaker, I was away from the floor of the House on Wednesday, November 3, 1999, on official business and was unable to cast a recorded vote on rollcall 557.

Had I been present for rollcall 557, I would have voted ''yea'' on approving the Journal.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today in support of the rule, and I would like to make a couple of comments about why I think we should support the conference report.

The future of any American business enterprise is not determined, in the final analysis, by imagination, innovation, technological advances or determination.

It succeeds only when those of us in Congress establish policies that encourage and accommodate sensible and healthy economic growth.

The conference report represents a balanced approach between the House and Senate versions of financial services modernization.

Congress has spent several decades considering many of the complicated and extremely important issues addressed in this compromise.

Failure to adopt this bill will relegate our financial industry to continue to operate under

the current artificial structural limitations that place them at a competitive disadvantage in the constantly evolving international playing field.

This rule and the conference report should be adopted.

HONORING LISA FORD AND NICK WALLACE, FRIENDS, COLLEAGUES AND FELLOW TRAVELERS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to celebrate the upcoming marriage of my Executive Assistant Lisa Ford and Nick Wallace. Lisa and Nick will be married in a few short weeks on November 21, 1999, in Miami, Florida.

Both Lisa and Nick go way back with me. When I was working for the Republican nomination in 1994, Lisa jointed my team to help me win the Primary. I went on to win the nomination, and the subsequent general election, and Lisa played an essential role in those victories. She has been with me through the two elections since, and she is with me still today.

Mr. Speaker. I can say without hesitation that Lisa Ford has been an integral part of my life. She has managed all facets of my political life with grace and aplomb. Lisa's calm demeanor has been, and continues to have, a tremendous influence in my office. Under fire, Lisa's clearheadedness and diligent focus is inspirational and her intelligent insight a tremendous asset. In addition, Lisa's compassion and loving nature shines through her every action and inspires respect and affection from everyone she meets. I am very fortunate to have Lisa Ford as my Executive Assistant.

At the same time that Lisa was helping me win my primary, an old friend in the District was helping me as well. The Wallace's son Nick came to Washington as an intern, and little did I know that they were falling in love! This is truly, a romance made in DC.

Nick went back to California and then returned as the star player on the Western Caucus Softball team. He continues to influence the office with his outstanding Almond Roca and his homemade sushi, as well as his wry observations on the abnormality of Washington life.

Mr. Speaker, I ask my colleagues in the House to join me in honoring the marriage of two wonderful friends. I know that Lisa Ford and Nick Wallace will prosper and be fulfilled in their dreams with their life together. I wish them all the happiness and joy that marriage can bring.

TORTURE IN TURKEY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SMITH of New Jersey. Mr. Speaker, in a matter of days President Clinton and the leaders of the OSCE participating States will gather in Istanbul, Turkey for the final summit of the century. Among the important issues to be discussed will be a charter on European security. As the leaders of our countries assemble on the banks of the Bosphorus, few are likely to realize that the torturers continue to ply their trade—crushing the lives of countless men, women, and even children.

In recent days I have received disturbing reports that highlight the fact that torture continues in Turkey despite Ankara's stated zero tolerance policy. Once again, we see that those who attempt to heal the physical and emotion scars of victims of torture are themselves often victimized by the so-called ''Anti-Terror Police.'' A case in point involves Dr. Zeki Uzun, a medical professional volunteering his services to the Human Rights Foundation of Turkey's Izmir Treatment and Rehabilitation Center. Dr. Uzun was reportedly forced from his clinic by Anti-Terror Police and held for interrogation about past patients he had treated. During the interrogation, he was apparently subjected to various kinds of torture, including having a plastic bag placed over his head to stop his breathing. Dr. Uzun was held by the police for a period of six days during which time he was repeatedly abused.

In March I chaired a Helsinki Commission hearing on human rights in Turkey in anticipation of the OSCE Summit that will be held in Istanbul, November 17–18. Experts testified to the continued widespread use of torture in Turkey, including the increasing use of electric shock. The gripping testimony included the case of torture against a two-year-old child.

Mr. Speaker, I urge President Clinton to place the issue of prevention of torture at the top of his agenda when he meets with Prime Minister Ecevit and include this longstanding concerns in his address before the Turkish Grand National Assembly. If the Government of Turkey is serious about ending the practice of torture, it must publicly condemn such gross violations of human rights, adopt and implement effective procedural safeguards against torture, and vigorously prosecute those who practice torture. Instead of treating individuals like Dr. Uzun as enemies, Ankara should direct its resources to rooting out those elements of the security apparatus responsible for torture.

HONORING (COLONEL) MR. CHARLES DAVID LOCKETT ON THE OCCASION OF HIS SIXTIETH YEAR IN THE LEGAL FIELD, FOR OUTSTANDING SERVICE TO THE UNITED STATES OF AMERICA AND THE STATE OF TENNESSEE, AND AS A CIVIC AND COMMUNITY LEADER

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. CLEMENT. Mr. Speaker, I rise today in honor of Mr. Charles David Lockett of Knoxville, Tennessee, on the occasion of his sixtieth year in the legal field, for outstanding service to the United States of America and the state of Tennessee, as a respected attorney and professional, and as a community leader. Mr. Lockett's entire professional life has been dedicated to ensuring justice is served for all and that the laws of our land are honored and respected.

Charlie Lockett was born June 27, 1916 in Knox County, Tennessee. He graduated from the Knoxville School System and obtained a Doctor of Jurisprudence Degree, University of Tennessee Law School, in 1939. He began practicing law that same year when he was licensed as a Tennessee Attorney. Charlie Lockett is a member of the American Bar Association; Knoxville Bar Association; Commercial Law League of America; Association of Trial Lawyers of America; and America Judicature Society. Today he is a senior partner with the law firm of Lockett, Slovis, Rutherford and Weinstein where he continues to make valuable contributions.

I personally have known Charlie Lockett all of my life. He was a dear friend of my father, Tennessee Governor Frank G. Clement, and remains close to my family today. I, along with many others, admire many qualities about Charlie Lockett. He is a natural born leader, a likable individual, a doer, and a man who makes a difference in the lives of others.

Mr. Lockett is a distinguished veteran of World War II, where he served from 1940–1945, rising to the rank of colonel in the U.S. Army. He also served fourteen months during the Korean crisis and holds a combined military service record of thirty years regular and reserve.

Charlie Lockett married the former Helen Cole in 1939. The couple was married more than fifty years before her death, and Charlie's devotion to her was known by all. They had two daughters: Lucy Lockett Johnson (who is now deceased) and Kay Lockett, as well as grandchildren Jennifer and Bryan Johnson.

Mr. Lockett's impact on the Knoxville area has been tremendous. For Charlie Lockett has been an active member of the Knoxville Chapter of the American Red Cross since 1945, one of only two individuals to earn that distinction. He served 14 years on the University of Tennessee Board of Trustees and continues to support the institution with time, effort, and finances. He also helped lay the foundation for the Sequoia Hills Presbyterian Church where he has faithfully served since the 1940's.

Mr. Lockett's involvement in politics is legendary. He has been a member of the Democratic Party since 1936 and an invaluable source for advice and counsel to numerous Democratic politicians. He managed three successful Knox County campaigns for Governor, including those of Frank G. Clement and Buford Ellington. He was a delegate to the National Convention in 1960 and managed the Knox County campaign of the Kennedy-Johnson ticket.

Mr. Charlie Lockett has unselfishly served the citizens of Knox County and all of Tennessee for more than six decades and has worked tirelessly to improve the quality of life through membership in civic, church, professional and private organizations. His sense of duty, courage and impeccable integrity are exemplary. For these reasons I honor Mr. Charlie Lockett today. I wish him the best in all of his future endeavors. God bless him.

IN HONOR OF MARY BUSTILLO DONOHUE

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. ROTHMAN. Mr. Speaker, I rise today to join the Hispanic Bar Association of New Jersey in honoring Mary Bustillo Donohue of River Edge, New Jersey for her contributions to the Garden State. The Hispanic Bar Association will be presenting its Outstanding Service Award to Mary on November 6, 1999.

Throughout her life and career, Mary Bustillo Donohue has embodied the values of tolerance, patience, fairness, vigilance, and excellence. From working as a teacher for 26 years at Paramus Regional Catholic High School and as professor of Spanish Literature at Seton Hall for seven years, to serving on the Board of Chosen Freeholders in Bergen County, to being a dedicated member of her church, Mary has helped build a New Jersey grounded in family and community.

The residents of Bergen County and throughout New Jersey, including myself, have all benefitted from Mary's efforts on our behalf. Whether it was as a Councilwoman in her hometown of River Edge, or as a member of the Governor's Hispanic Task Force For Excellence in Education, or as the Honorary Chairman of the New Jersey State Democratic Hispanic Caucus Center for the Advancement of Women in Politics, Mary has exemplified what it means to be an active member of her community. She is a role model to us all.

On a personal level, I have been privileged to know Mary as a friend for more than 10 years, and now to be working with her as an invaluable member of my staff. Working with Mary has provided me with an even greater insight into her personal commitment to her neighbors and community. She has played an integral role in my efforts to serve all residents of the Ninth Congressional District in New Jersey and I am grateful for her outstanding work.

Mr. Speaker, there are few people more deserving of an award recognizing excellence in community service. Mary Bustillo Donohue is one of these people and I am pleased to join the Hispanic Bar Association of New Jersey in honoring her.

PERSONAL EXPLANATION

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. SMITH of Washington. Mr. Speaker, on the afternoon of November 1, I was attending to family business in my district and was unable to vote on H.R. 1714, legislation to provide for digital signatures.

Had I been present, I would have voted ''yes.'' I strongly support this legislation to ensure that our high-technology economy continues to grow and provides consumers more opportunities to conduct business on-line.

CONGRATULATIONS TO ARASH RASSAOULPOUR AND LEILA AFSHAR

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. FARR of California. Mr. Speaker, I offer my sincerest congratulations to Mr. Arash Rassaoulpour and Miss Leila Afshar on the occasion of their marriage the Sixth of March, Nineteen Hundred and Ninety Nine at the Ritz-Carlton Hotel in McLean, Virginia.

Both were born in Tehran and immigrated to the United States in the 1970's, and they have excelled here in the United States. Arash grew up in Bethesda, Maryland, and Leila in nearby Kensington, Maryland. Their interests led them to the University of Maryland at College Park, where they both received Bachelor of Science degrees in Biology. They have remained at the University of Maryland, College Park, where Arash is currently pursuing his Ph.D. in Pharmacology, and Leila is completing her residency in Pediatrics, after having recently earning her Medical Degree.

Arash and Leila are talented and accomplished people who are valuable members of their community. I have no doubt that they will continue their lives of achievement in their chosen fields of medicine. I am also certain that marriage will make their lives richer and more joyful. All of those who have come to know the bride's family are proud of her obtaining a medical degree and of her happy marriage. We all wish Arash and Leila happiness and success for many years to come.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. STARK. Madam Speaker, I rise in opposition to the conference report on S. 900, the Financial Services Modernization Act. It is badly flawed on several counts.

Rather than strengthening the Community Reinvestment Act, the conference report actually weakens this landmark regulation. For example, the bill limits CRA's oversight of 80% of the nation's banks by decreasing the frequency of exams from once every two years to once every five years for banks with at least a ''satisfactory'' rating. This ill-advised provision will undoubtedly induce small banks to game the CRA process.

In fact, the National Community Reinvestment Coalition predicts that small banks ''will relax their CRA lending in underserved communities for four years, and then hustle to make loans in the last year before a 'twice in a decade' CRA exam.''

The overall impact of the CRA provisions, then, is to weaken protections against discrimination and redlining by constraining the Community Reinvestment Act in an era when financial conglomerates will become ever more powerful.

The Gramm-Leach-Bliley bill also raises troubling questions about the basic relationship between federal and state law in key areas. Supporters claim that the bill leaves state insurance law undisturbed. But in an October 13 letter, the National Association of Insurance Commissioners warned that the bill's broad, loose language will effectively permit banks to ''engage in high-risk reinsurance, claims settlement, credit insurance, third-party management services and other insurance business activities without being subject to supervision by either the States or the Federal government.''

NAIC's concerns focus on Section 104 of the conference report, which says that no state can ''prevent or restrict'' a bank's business activities. This language ''attacks the heart of State insurance regulation,'' NAIC writes, ''because every action taken by a State to protect consumers restricts the business activities of insurance providers—including banks—to some degree. The letter concludes with a grim prediction that ''virtually all State insurance regulatory actions affecting banks would thus be subject to legal challenge and possible preemption.''

Among the categories of state laws that may be preempted by S. 900, according to NAIC, are fair claims settlement laws covering consumers who purchase health, auto, homeowners, life, annuities, and other types of insurance.''

Concerns have also been raised about whether more protective state medical confidentiality laws are saved. Supporters say they are, but state insurance commissioners say that's not clear. Litigation is sure to follow, which will cost consumers plenty.

In addition, the bill's privacy rules governing sharing of information within affiliated entities are astonishingly weak. The bill allows affiliates—banks, securities firms and insurers—to freely share financial information without the consumer's consent. Affiliates have only to disclose their basic rules once a year.

The problems that this could create are severe. Financial institutions, looking at the bottom line, will use all of the information available to them before making lending decisions. Why, for example, would a bank that has a health insurance subsidiary not want to weigh medical information gleaned from financial data in considering mortgage applications? Will young families now have to worry that, having supplied medical information to apply for life or casualty insurance, that this data will affect their application for a home loan?

It is wrong and inappropriate for Congress to, on the one hand, enact legislation that explicitly allows mergers between banks, insurers and securities firms—but which on the other hand denies consumers any say in how their personal financial information can be used and disclosed.

I thought we learned this lesson 21 years ago, when Congress enacted the Right to Financial Privacy Act. That 1978 law, which I authored, put in place standards governing access and sharing of financial information for federal agencies. It stemmed from a Supreme Court decision that ruled the Fourth Amendment does not apply to banking records. As a former California banker, I had been a party in that 1974 suit, *Calfornia Bankers Association* v. *Schultz.*

And here we are today, throwing open the door for financial institutions to create huge new holding companies—without giving consumers any ability to say how their sensitive

personal financial information can be shared. In effect, we are creating a financial privacy vacuum.

Defenders of the conference agreement say that the bill limits sharing of personal financial data with non-affiliated, third party entities. Nonsense. All that companies that don't formally affiliate have to do to escape the bill's consumer ''opt-out'' provision is enter into a joint agreement. Then, presto, they are free to manipulate personal financial data in any way they like.

Nobody likes getting annoying calls from pesky telemarketers at dinnertime. Well, once this bill passes, the telemarketing business will go through the roof. Mergers between banks, securities firms and insurers will produce data amalgamation like we've never seen before. Before long, your health insurer will be able to get information on how much money you make and what investment strategies you favor—making underwriting that much easier. Your bank will be able to easily look up how many checks you've written to your psychiatrist—and use that information to help decide whether you're an acceptable loan risk.

This is the dawning of a new Orwellian Age of Information.

I urge my colleagues to vote no on the Gramm-Leach-Bliley conference report.

COPS AND METRO ALLIANCE CELEBRATE 25 YEARS OF SUCCESSFUL POLITICAL ACTION

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. RODRIGUEZ. Mr. Speaker, I am truly honored to recognize the 25th anniversary of the founding of an organization that changed the political landscape in San Antonio, across Texas and the Nation. From the alleys of San Antonio's poorest South and West Side neighborhoods, people of faith and conviction came together a quarter century ago to form Communities Organized for Public Service, or COPS.

COPS, and later its sister organization, Metro Alliance, entered the scene at a time when the largely minority, poor communities of San Antonio did not have a voice at the table. Frustrated by inaction, and worse by a lack of attention from the establishment leadership, COPS and Metro Alliance became the voice of the unheard, the mouth of those who were ignored.

COPS and Metro Alliance draw their strength from the people and institutions that make up the local neighborhoods: churches, schools, and other community-based organizations. We hear a great deal of talk today about the need for faith-based groups to take responsibility, but the truth of the matter is that COPS and Metro Alliance long ago accepted that challenge. The result has been a thousand victories, each one building on the last, with more than 50 religious congregations working together.

COPS first set out to repair the imbalance in distribution of funds for city improvements. They rightly demanded that poor neighborhoods deserved flood control and street improvements. Later COPS fought in the battle to bring single-member districts to San Antonio, helping end the legacy of a system that did not adequately seat minorities, who by this time were a majority of the local population, at the table of power.

In recent years, COPS and Metro Alliance, recognizing that education is the cornerstone of any future success, focus their energies on job training and early childhood education. Project QUEST and the San Antonio Education Partnership are models for improving the lives of communities one person at a time.

The positive impact of these organizations reaches far beyond the banks of the San Antonio River. By joining with the Industrial Areas Foundation, sister groups began to spring forth across Texas, and then other areas of the country. From city to city, the basic principles were established—that local communities could organize themselves to create a political force that could not be ignored.

Today, similar organizations exist in Dallas, El Paso, Houston, the Rio Grande Valley, and communities in New Mexico, Arizona, Louisiana, Nebraska, Iowa and Southern California. On November 7, delegates from each of these areas, some 5,000 in number, will convene in San Antonio to celebrate 25 years of successful political action on behalf of the less fortunate. Their work has improved the living and working conditions of countless thousands of low- and moderate-income families.

All my colleagues in the House of Representatives should be proud of the work performed by COPS, Metro Alliance, and their sister organizations across the country. Ordinary people doing extraordinary work is the best way to describe them. I am proud to share in their accomplishments and look forward to years of future growth and success.

ABEL PEREZ HONORED FOR ''20 DE MAYO''

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate Mr. Abel Perez on the 30th anniversary of his newspaper, ''20 de Mayo.''

In July 1960, after being threatened by the Castro regime, Mr. Perez left Cuba with his pregnant wife in search of freedom and democracy in the United States. Later that year, Abel joined the Brigade 2506, which took part in the Bay of Pigs invasion against the communist government of Fidel Castro. After his return in 1962, they settled in California where Abel began to work for Mattel toymakers.

Aided by a small group of Cubans who were worried about communism in their homeland, the 20 de Mayo Spanish newspaper was founded on October 1969. Abel dedicated all his time to let the people in the United States know the truth about tragic events of Castro's dictatorship.

In the 1980's, Mr. Perez's community service was exemplified by helping Cuban refugees from the Mariel exodus, gathering a group of professionals in what was called the Cuban Assistance League. This organization helped the refugees to find shelter, as well as medical and financial assistance during the most critical years after their arrival in the United States.

I am proud to say that as the years passed, ''20 de Mayo'' has become one of the leading voices of freedom, democracy, and justice for all Hispanics residing in this country.

SENSE OF CONGRESS THAT SCHOOLS SHOULD USE PHONICS

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose this measure.

This resolution expresses the sense of Congress that phonemic awareness followed by direct systematic phonics instruction should be used in all schools. It further expresses the sense of Congress that phonics instruction should be an integral part of pre-service teaching requirements so that teachers will have the skills to effectively teach reading. I have concerns with this legislation on many levels.

As the Chair of the Congressional Children's Caucus, I can very much appreciate new learning tools that could benefit our children. I seems likely that phonics do have a positive impact on our children.

According to some educators, phonics-based instruction teaches learners that there is a relationship between sounds and printed letters. In order to benefit from formal reading instruction, children must have a certain level of phoneme awareness. Reading instruction in sound symbol relationships also may heighten children's awareness of language.

However, we must note that phonics alone is not the solution. Instruction in phoneme awareness and phonics is not the sole component in a program that teaches learners how to read. Rather, phonics provides a foundation of skills and strategies which can be used to quickly and efficiently decode words and build reading fluency, which is essential to reading comprehension.

Whole language, a learning tool that emphasizes reading for meaning and using literature rather than rules, has often been advocated over phonics. Schools often use a mixture of phonics and whole language.

This measure is far too limited in its scope. Phonics may be a good learning tool, but there are countless other means of learning available such as whole language. We should not limit the language of the measure to only include phonics. The schools should be free to choose their learning tools.

Choice is indeed important here, and this legislation inappropriately attempts places Federal restraints on our local schools: this measure takes away choice from our Nation's schools. Yet, it should be left to the individual schools to determine which learning tools are applied to their students. After all, who is a better judge of the needs of our children? Our teachers and school administrators or those of us here in Congress? I think that the answer is clear.

It is unfortunate that this bill was offered as a suspension. Had we been able to amend this bill, we could have ameliorated the many problems contained in its language.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S14051–S14230

Measures Introduced: Ten bills and four resolutions were introduced, as follows: S. 1867–1876, S. Res. 221–222, and S. Con. Res. 69–70. **Page S14088**

Measures Reported: Reports were made as follows:

S. 1374, to authorize the development and maintenance of a multiagency campus project in the town of Jackson, Wyoming, with an amendment in the nature of a substitute. (S. Rept. No. 106–215)

S. 1503, to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2003. (S. Rept. No. 106–216)

H.R. 1907, to amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, with an amendment in the nature of a substitute.

S. Res. 217, relating to the freedom of belief, expression, and association in the People's Republic of China. **Page S14088**

Measures Passed:

Veterans' Millennium Health Care Act: Committee on Veteran Affairs was discharged from further consideration of H.R. 2116, to amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, and the bill was then passed, after agreeing to a committee amendment in the nature of a substitute, as amended, and the following amendment proposed thereto: **Page S14202**

Domenici (for Specter) Amendment No. 2541, in the nature of a substitute. **Page S14202**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Specter, Thurmond, and Rockefeller. **Page S14202**

National Aeronautics and Space Administration Authorization Act: Senate passed H.R. 1654, to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, after agreeing to the following amendment proposed thereto: **Pages S14202–03**

Domenici (for Frist) Amendment No. 2542, in the nature of a substitute. **Pages S14202–03**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators McCain, Stevens, Frist, Hollings, and Breaux. **Page S14203**

Testimony and Document Production Authority: Senate agreed to S. Res. 221, to authorize testimony and document production in In the Matter of Pamela A. Carter v. HealthSource Saginaw. **Page S14203**

Select Committee on Ethics Procedures: Senate agreed to S. Res. 222, to revise the procedures of the Select Committee on Ethics. **Pages S14203–12**

Women's Business Centers Sustainability Act: Senate passed S. 791, to amend the Small Business Act with respect to the women's business center program, after agreeing to the committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S14212–18**

Domenici (for Kerry/Bond) Amendment No. 2543, to make an amendment with respect to the funding formulas and the selection process. **Pages S14213–14**

Independent Office of Advocacy Act: Senate passed S. 1346, to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration, after agreeing to committee amendments, and the following amendment proposed thereto: **Pages S14218–22**

Domenici (for Bond) Amendment No. 2544, to make an amendment with respect to the submission of annual reports. **Page S14220**

Mississippi Courts System: Senate passed S. 1418, to provide for the holding of court at Natchez, Mississippi in the same manner as court is held at Vicksburg, Mississippi. **Page S14222**

Missouri-Nebraska Boundary Compact: Senate passed H.J. Res. 54, granting the consent of Congress to the Missouri-Nebraska Boundary Compact, clearing the measure for the President. **Page S14222**

Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act: Senate passed S. 1769, to continue the reporting requirements of section 2519 of title 18, United States Code, beyond December 21, 1999, after agreeing to committee amendments. **Pages S14222–23**

Bankruptcy Reform Act: Senate continued consideration of S. 625, to amend title 11, United States Code, agreeing to committee amendments by unanimous consent, taking action on the following amendments proposed thereto: **Pages S14052–76**

Pending:

Grassley Amendment No. 1730, to amend title 11, United States Code, to provide for health care and employee benefits. **Pages S14057–63**

Kohl Amendment No. 2516, to limit the value of certain real or personal property a debtor may elect to exempt under State or local law. **Pages S14063–68**

Sessions Amendment No. 2518 (to Amendment No. 2516), to limit the value of certain real or personal property a debtor may elect to exempt under State or local law. **Pages S14063–68**

Feingold (for Durbin) Amendment No. 2521, to discourage predatory lending practices. **Pages S14069–72**

Feingold Amendment No. 2522, to provide for the expenses of long term care. **Pages S14068–69**

Hatch/Torricelli Amendment No. 1729, to provide for domestic support obligations. **Pages S14072–75**

Leahy/Murray/Feinstein Amendment No. 2528, to ensure additional expenses and income adjustments associated with protection of the debtor and the debtor's family from domestic violence are included in the debtor's monthly expenses. **Page S14075**

Leahy Amendment No. 2529, to save United States taxpayers $24,000,000 by eliminating the blanket mandate relating to the filing of tax returns. **Pages S14075–76**

A unanimous-consent agreement was reached providing for further consideration of the bill on Monday, November 8, 1999. **Page S14227**

Treaties Approved: The following treaties having passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification, upon division, two-thirds of the Senators present and having voted in the affirmative, the resolutions of ratification were agreed to:

Tax Convention with Estonia (Treaty Doc. 105–55) **Page S14224**

Tax Convention with Lithuania (Treaty Doc. 105–56) **Page S14224**

Tax Convention with Latvia (Treaty Doc. 105–57) **Page S14224**

Tax Convention with Venezuela (Treaty Doc. 106–3) **Pages S14224–25**

Tax Convention with Slovenia (Treaty Doc. 106–9) **Pages S14224–25**

Tax Convention with Italy (Treaty Doc. 106–11) **Pages S14224–25**

Tax Convention with Denmark (Treaty Doc. 106–12) **Pages S14224–25**

Protocol Amending the Tax Convention with Germany (Treaty Doc. 106–13) **Pages S14224, S14226**

Amending Convention with Ireland (Treaty Doc. 106–15) **Pages S14224, S14226**

Convention (No. 182) for Elimination of the Worst Forms of Child Labor (Treaty Doc. 106–5) **Pages S14224, S14226**

Extradition Treaty with the Republic of Korea (Treaty Doc. 106–2) **Pages S14224, S14226–27**

Nominations Confirmed: Senate confirmed the following nominations:

Alphonso Maldon, Jr., of Virginia, to be an Assistant Secretary of Defense.

John K. Veroneau, of Virginia, to be an Assistant Secretary of Defense.

Cornelius P. O'Leary, of Connecticut, to be a Member of the National Security Education Board for a term of four years.

4 Air Force nominations in the rank of general.

2 Army nominations in the rank of general.

Routine lists in the Air Force, Army, Navy. **Pages S14223–24, S14229–30**

Messages From the House: **Page S14086**

Measures Placed on Calendar: **Page S14086**

Communications: **Pages S14086–88**

Executive Reports of Committees: **Page S14088**

Statements on Introduced Bills: **Pages S14088–93**

Additional Cosponsors: **Pages S14093–94**

Amendments Submitted: **Pages S14097–S14202**

Authority for Committees: **Page S14202**

Additional Statements: **Page S14202**

Enrolled Measures Signed: **Page S14086**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 3:48 p.m., until 12 noon, on Monday, November 8, 1999. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S14227.)

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings on the nominations of Gregory A. Baer, of Virginia, to be Assistant Secretary of the Treasury for Financial Institutions, and Susan M. Wachter, of Pennsylvania, to be Assistant Secretary of Housing and Urban Development for Policy Development and Research, after the nominees testified and answered questions in their own behalf.

ASIAN FINANCIAL CRISIS

Committee on Foreign Relations: Committee concluded hearings to examine issues relating to the International Monetary Fund reform, focusing on lessons learned from the Asian financial crisis, after receiving testimony from Lawrence H. Summers, Secretary of the Treasury; Carla A. Hills, Hills and Company, former U.S. Trade Representative, and Robert E. Litan, Brookings Institution, both of Washington, D.C.; and Edmund B. Fitzgerald, Vanderbilt University Owen Graduate School of Management, Nashville, Tennessee, on behalf of the Committee on Economic Development.

NOMINATION

Committee on Foreign Relations: Committee concluded hearings on the nomination of Carol Moseley-Braun, of Illinois, to be Ambassador to New Zealand, and to serve concurrently and without additional compensation as Ambassador to Samoa, after the nominee, who was introduced by Senator Durbin, testified and answered questions in her own behalf.

House of Representatives

Chamber Action

Bills Introduced: 12 public bills, H.R. 3232–3243, were introduced. **Page H11645**

Reports Filed: Reports were filed today as follows:

H.R. 2547, to provide for the conveyance of lands interests to Chugach Alaska Corporation to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act, amended (H. Rept. 106–451);

H.R. 3090, to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, amended (H. Rept. 106–452); and

S. 416, to direct the Secretary of Agriculture to convey the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility, amended (H. Rept. 106–453).

H.R. 1444, to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho, amended (H. Rept. 106–454, Pt. 1); and

H.R. 1869, to amend title 18, United States Code, to expand the prohibition on stalking, amended (H. Rept. 106–455). **Page H11644**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Pease to act as Speaker pro tempore for today. **Page H11566**

Foreign Operations Appropriations: The House passed H.R. 3196, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000 by yea and nay vote of 316 yeas to 100 nays, Roll No. 572. **Pages H11569–96**

Agreed to the Young of Florida amendment that provides $1.825 billion to fully fund the President's request for the Wye River Accord and increases funding for other programs by $799.1 million by yea and nay vote of 351 yeas to 58 nays, Roll No. 571. **Pages H11591–96**

Earlier agreed to H. Res. 362, the rule that provided for consideration of the bill. **Pages H11567–69**

Suspension—Medicare Addbacks: The House agreed to suspend the rules and pass H.R. 3075, amended, to amend title XVIII of the Social Security Act to make corrections and refinements in the Medicare Program as revised by the Balanced Budget Act of 1997 by yea and nay vote of 388 yeas to 25 nays, Roll No. 573 agreed to amend the title. **Pages H11596–H11628**

Late Report: Managers on the part of the House received permission to have until midnight on Nov. 5 to file a conference report to accompany H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the

United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. **Page H11628**

Meeting Hour—Monday, Oct. 8: Agreed that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, Nov. 8, 1999 for morning-hour debates. **Page H11628**

Calendar Wednesday: Agreed that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, Nov. 10, 1999. **Page H11628**

Senate Messages: Message received from the Senate appears on page H11566.

Referrals: S. 225 was referred to the Committee on Banking and Financial Services; S. 777 was referred to the Committee on Agriculture; S. 1290 was referred to the Committee on the Judiciary; S. 1455 was referred to the Committees on the Judiciary and Education and the Workforce; S. 1754 was referred to the Committee on the Judiciary and S. 1866 was referred to the Committee on Resources. **Page H11643**

Quorum Calls—Votes: Three yea and nay votes developed during the proceedings of the House today and appear on pages H11595–96, H11596, and H11627. There were no quorum calls.

Adjournment: The House met at 9:00 a.m. and adjourned at 12:22 p.m.

Committee Meetings

OVERSIGHT

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans held an oversight hearing to examine the affects on living marine resources from dredged material disposal or placement in the New York Bight. Testimony was heard from Representative Smith of New Jersey; Andy Kemmerer, Director, Office of Habitat Operation, National Marine Fisheries Service, NOAA, Department of Commerce; Kathleen C. Callahan, Director, Division of Environmental Planning and Protection, Region II, EPA; Robert M. Engler, Senior Environmental Scientist, Engineering Research and Development Center, Corps of Engineers, Department of the Army; Lillian Borrone, Director, Port Commerce, Port Authority of New York and New Jersey; and public witnesses.

Joint Meetings

INTELLIGENCE—AUTHORIZATION

Conferees met in closed session and agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, *p. D1242)*

H.R. 2367, to reauthorize a comprehensive program of support for victims of torture. Signed November 3, 1999. (P.L. 106–87)

CONGRESSIONAL PROGRAM AHEAD

Week of November 8 through November 13, 1999

Senate Chamber

On *Monday* and *Tuesday,* Senate will resume consideration of S. 625, Bankruptcy Reform Act.

During the balance of the week, Senate will consider H.R. 3196, Foreign Operations Appropriations, and any other cleared legislative and executive business, including conference reports, when available.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Special Committee on Aging: November 8, to hold hearings to examine challenges facing an aging baby boom generation, 2 p.m., SH–216.

Committee on Banking, Housing, and Urban Affairs: November 9, business meeting to consider the nomination of Gregory A. Baer, of Virginia, to be an Assistant Secretary of the Treasury; and the nomination of Susan M. Wachter, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development, 10:30 a.m., S–214, Capitol.

Committee on Commerce, Science, and Transportation: November 8, to hold hearings on mergers in the telecommunications industry, 9:30 a.m., SR–253.

Committee on Governmental Affairs: November 9, Permanent Subcommittee on Investigations, to hold hearings to examine the vulnerabilities of United States private banks to money laundering, 9:30 a.m., SD–628.

November 10, Full Committee, with the Committee on Health, Education, Labor, and Pensions, to hold joint hearings on federal contracting and labor policy, focusing on the Administration's change in procurement regulations, 10 a.m., SD–628.

November 10, Permanent Subcommittee on Investigations, to hold hearings to examine the vulnerabilities of United States private banks to money laundering, 1 p.m., SD–628.

Committee on Health, Education, Labor, and Pensions: November 10, with the Committee on Governmental Affairs, to hold joint hearings on federal contracting and

labor policy, focusing on the Administration's change in procurement regulations, 10 a.m., SD–628.

Committee on the Judiciary: November 9, business meeting to consider pending calendar business, 10 a.m., SD–226.

House Chamber

To be announced.

House Committees

Committee on Armed Services, November 8, Subcommittee on Military Procurement, to consider a subpoena for Department of Energy-related documents, 5 p.m., 2118 Rayburn.

November 10, Subcommittee on Military Procurement, hearing on the results of the Department of Energy's Inspector General inquiries into specific aspects of the espionage investigations at the Los Alamos National Laboratory, 10 a.m., 2118 Rayburn.

Committee on Banking and Financial Services, November 9, to mark up H.R. 21, Homeowners' Insurance Availability Act of 1999, 10 a.m., 2128 Rayburn.

November 10, Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises, hearing on Capital Formation in Underserved Areas, 10 a.m., 2128 Rayburn.

Committee on Commerce, November 9, Subcommittee on Oversight and Investigations, hearing on Medicaid Fraud and Abuse: Assessing State and Federal Responses, 10:30 a.m., 2322 Rayburn.

Committee on Government Reform, November 9, Subcommittee on National Security, Veterans' Affairs and International Relations, hearing on Force Protection: Improving Safeguards for Administration of Investigational New Drugs to Members of the Armed Forces, 10 a.m., 2154 Rayburn.

November 10, full Committee, to consider the following: a committee draft report entitled: ''The FALN and Macheteros Clemency: Misleading Explanations, A Reckless Decision, A Dangerous Message''; a resolution of Immunity for Yah Lin ''Charlies'' Trie; H.R. 2376, to require agencies to establish expedited review procedures for granting a waiver to a State under a grant program administered by the agency if another State has already been granted a similar waiver by the agency under such program; and H.R. 1827, Government Waste Corrections Act of 1999, 10 a.m., 2154 Rayburn.

Committee on International Relations, November 9, hearing on U.S. Policy Toward Haiti, 10 a.m., 2172 Rayburn.

November 10, hearing on European Common Foreign, Security and Defense Policies: Implications for the United States and the Atlantic Alliance, 10 a.m., 2172 Rayburn.

Committee on Resources, November 10, Subcommittee on Fisheries Conservation, Wildlife and Oceans, oversight hearing on the role of the NOAA's fleet in the recovery of data from marine airline crash sites in the Atlantic Ocean, 9:30 a.m., 1334 Longworth.

Committee on Rules, November 8, to consider the following: H.R. 3073, Fathers Count Act of 1999; H.R. 1714, Electronic Signatures in Global and National Commerce Act; and the conference report to accompany H.R. 1555, Intelligence Authorization Act for Fiscal Year 2000, 6 p.m., H–313 Capitol.

Committee on Ways and Means, November 9, hearing on the Administration's new Social Security plan, 10 a.m., 1100 Longworth.

November 9, Subcommittee on Oversight, hearing on the penalty and interest provisions in the Internal Revenue Code, 3 p.m., B–318 Rayburn.

November 10, full Committee, hearing on corporate tax shelters, 11 a.m., 1100 Longworth.

Joint Meetings

Conference: November 8, meeting of conferees on H.R. 2116, to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, 2 p.m., SC–5, Capitol.

Next Meeting of the SENATE

12 Noon, Monday, November 8

Senate Chamber

Program for Monday: After the recognition of two Senators for speeches and the transaction of morning business (not to extend beyond 2 p.m.), Senate will resume consideration of S. 625, Bankruptcy Reform.

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Monday, November 8

House Chamber

Program for Monday: To be announced.

Extensions of Remarks, as inserted in this issue

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