unanimous consent, and referred as indicated on July 24, 2000.

By Mr. REID (for himself, Mr. GRASSLEY, and Mrs. LINCOLN):

S. 2910. A bill to amend title XVIII of the Social Security Act to permit the expansion of medical residency training programs in geriatric medicine; to the Committee on Finance.

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated on July 26, 2000:

By Mr. BINGAMAN:

S. 2922. A bill to create a Pension Reform and Simplification Commission to evaluate and suggest ways to enhance access to the private pension plan system; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KENNEDY (for himself, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. MOYNIHAN, Mr. REED, Mr. L. CHAFEE, Ms. COLLINS, Ms. SNOWE, Mr. BAUCUS, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Mr. BRYAN, Mr. KERREY, Mr. ROBB, Mr. INOUYE, Mr. LAUTENBERG, Mr. AKAKA, Mr. SCHUMER, and Mr. LEAHY):

S. 2923. A bill to amend title XIX and XXI of the Social Security Act to provide for Family Care coverage for parents of enrolled children, and for other purposes; to the Committee on Finance.

By Ms. COLLINS (for herself, Mr. DURBIN, and Mrs. FEINSTEIN):

S. 2924. A bill to strengthen the enforcement of Federal statutes relating to false identification, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 2925. A bill to amend the Public Health Service Act to establish an Office of Men's Health; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BINGAMAN:

S. 2926. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to any benefit thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month) and that such individual's benefit shall be payable for such month only to the extent proportionate to the number of days in such month preceding the date of such individual's death; to the Committee on Finance.

By Mr. FEINGOLD:

S. 2927. A bill to ensure that the incarceration of inmates is not provided by private contractors or vendors and that persons charged or convicted of an offense against the United States shall be housed in facilities managed and maintained by Federal, State, or local governments; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself, Mr. KERRY, Mr. ABRAHAM, and Mrs. BOXER):

S. 2928. A bill to protect the privacy of consumers who use the Internet; to the Committee on Commerce, Science, and Transportation.

By Mrs. FEINSTEIN (for herself, Mr. HOLLINGS, Mr. INOUYE, and Mr. KENNEDY):

S. 2929. A bill to establish a demonstration project to increase teacher salaries and employee benefits for teachers who enter into contracts with local educational agencies to serve as master teachers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SANTORUM:

S. 2930. A bill to guarantee the right of individuals to receive social security benefits under title II of the Social Security Act in full with an accurate annual cost-of-living adjustment; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 2931. A bill to make improvements to the Arctic Research and Policy Act of 1984; to the Committee on Governmental Affairs.

By Mr. LAUTENBERG:

S. 2932. A bill to amend title 39, United States Code, to provide for the issuance of a semipostal stamp in order to afford the public a convenient way to contribute to funding for the establishment of the World War II Memorial; to the Committee on Governmental Affairs.

By Mr. NICKLES:

S. 2933. A bill to amend provisions of the Energy Policy Act of 1992 relating to remedial action of uranium and thorium processing sites; to the Committee on Energy and Natural Resources.

By Mr. TORRICELLI:

S. 2934. A bill to provide for the assessment of an increased civil penalty in a case in which a person or entity that is the subject of a civil environmental enforcement action has previously violated an environmental law or in a case in which a violation of an environmental law results in a catastrophic event; to the Committee on Environment and Public Works.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Ms. MIKULSKI , Mr. BAYH, Mr. BREAUX, Ms. COLLINS, and Mr. AKAKA):

S. 2935. A bill to amend the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Public Health Service Act to increase Americans' access to long term health care, and for other purposes; to the Committee on Finance.

By Mr. ROBB (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BREAUX, Mr. DODD, Mr. DORGAN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. LEAHY, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. REID, Mr. ROCKEFELLER, Mr. SCHUMER, Mr. TORRICELLI, Mr. HARKIN, and Mr. BAYH):

S. 2936. A bill to provide incentives for new markets and community development, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. WYDEN, Mr. GRASSLEY, and Mr. KERREY):

S. 2937. A bill to amend title XVIII of the Social Security Act to improve access to Medicare+Choice plans through an increase in the annual Medicare+Choice capitation rates and for other purposes; to the Committee on Finance.

By Mr. BROWNBACK (for himself and Mr. SCHUMER):

S. 2938. A bill to prohibit United States assistance to the Palestinian Authority if a Palestinian state is declared unilaterally, and for other purposes; to the Committee on Foreign Relations.

By Mr. GRASSLEY (for himself, Mr. ROCKEFELLER, Mr. JEFFORDS, and Mrs. LINCOLN):

S. 2939. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances; to the Committee on Finance.

By Mr. HATCH:

S. 2940. A bill to authorize additional assistance for international malaria control, and to provide for coordination and consultation in providing assistance under the Foreign Assistance Act of 1961 with respect to malaria, HIV, and tuberculosis; read the first time.

By Mr. HAGEL (for himself, Mr. KERREY, Mr. ABRAHAM, Mr . BREAUX, Mr. DEWINE, Mr. GORTON, Mrs. HUTCHISON, Ms. LANDRIEU, Mr. SMITH of Oregon, and Mr. THOMAS):

S. 2941. A bill to amend the Federal 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; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. FITZGERALD (for himself, Mr. LIEBERMAN, Mr. HAGEL, Mr. HELMS, and Mr. LUGAR):

S. Res. 343. A resolution expressing the sense of the Senate that the International Red Cross and Red Crescent Movement should recognize and admit to full membership Israel's Magen David Adom Society with its emblem, the Red Shield of David; to the Committee on Foreign Relations.

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

S. Res. 344. A resolution expressing the sense of the Senate that the proposed merger of United Airlines and US Airways is inconsistent with the public interest and public convenience and necessity policy set forth in section 40101 of title 49, United States Code; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN:

S. 2922. A bill to create a Pension Reform and Simplification Commission to evaluate and suggest ways to enhance access to the private pension plan system; to the Committee on Health, Education, Labor, and Pensions.

THE PENSION REFORM AND SIMPLIFICATION COMMISSION ACT

Mr. BINGAMAN. Mr. President: I rise today to introduce legislation calling for the establishment of a Pension Reform and Simplification Commission. The legislation derives directly from conversations I have had with constituents and experts on three key issues.

First, there is the problem related to the current cost and complexity of private pension plans. In my view current regulations place an unnecessary burden on small and medium business as they attempt to adopt pension plans. Indeed, even the most simple plans are often so complicated in form and function as to be incomprehensive to an everyday businessperson.

Second, there is the problem involved in coverage. Although over-all pension coverage may be consistent over the last decade and the assets of private plans have been on the increase, my concern is with those individuals of low to moderate income who are being left out of the private pension plan equation. As companies move toward cheaper plans—401(k)s being a salient example—and feel less obligated to offer defined benefit-type plans, individuals who do not have the extra money to contribute to their pension plans are

unable to benefit from a plan's availability. This is if a plan is available at all, and in many cases it is not.

Third, there is the problem of what kind of private pension plans are best suited for the so-called ''New Economy''. Clearly there is considerable debate as of late in terms of what kind of private pension plans should be offered so as to increase saving, decrease mobility, provide opportunity, enhance entrepreneurship, and so on, all of which is apparent in the rise of hybrid pension plans. My foremost concern here is that Congress now finds itself reacting to innovative private pension plans rather than being pro-active in their creation.

Mr. President, in 1974, Congress passed the Employee Retirement Income Security Act, known by most people by its acronym of ERISA, our intention at the time being twofold. First, we wanted to protect the assets held in private sector retirement plans. Second, we wanted to create uniform rules that govern how these plans will be implemented in each and every state.

From most accounts we have accomplished these two goals. There is no question that ERISA has flaws that must be addressed—and I will discuss these in detail later—but for all these flaws ERISA was extremely significant in that it reaffirmed the government's commitment to the importance of retirement plans for all Americans. Furthermore, it created a comprehensive framework in this country under which the expansion of private retirement plans could occur. Equally important, the mechanisms it established for personal saving has added trillions of dollars in available investment capital over the last decade alone, fueling in a very tangible way the unprecedented economic growth that we are seeing right now.

But for all the praise ERISA receives, it is also criticized widely and, in my opinion, correctly on a number of counts. For this reason, it is time to seriously re-evaluate whether it is addressing the needs and concerns of all Americans. It is time to examine whether it fits the demands of a changing, global, ''new'' economy.

As a specific example of these problems, the adoption of piecemeal, narrow, and complicated statutes and regulations in the 26 years since ERISA's implementation has made substantial portions of our retirement system inefficient, expensive, and oftentimes incomprehensible to anyone wishing to use it. It is well-known that we continue to add provisions and plans with no effort at all to make them internally compatible. We may have a broad vision about what we want to do with retirement policy in this country, but we instead of revising retirement policy in a comprehensive and strategic manner, we simply add new ideas and language incrementally, hoping they will appeal to businesses who wish to offer them to their employees.

Sadly, the end result is that for many businesses the cost of compliance with ERISA regulations—the administrative and professional costs of qualification—rival and even outweigh the costs of providing the benefits themselves. This, in turn, has led to a decision by many business owners that they can no longer afford to offer retirement plans to their employees, this in spite of their desire to do so. For these people, the current rules burden the system beyond the benefits they provide. This has to change.

But the cost and complexity I have just mentioned has had a corollary effect, that being a lack of access to pension plans on the part of low- and middle-income workers, women and minorities in particular. Rightly or wrongly, one of the foremost criticisms directed toward ERISA is that it has accelerated the demise of traditional defined benefit pensions and increased conversions to new forms of plans, specifically defined contribution plans like 401(k)s. Employers oftentimes no longer feel it is their role to provide retirement income to their employees as they once did under defined benefit plans. Instead they make defined contribution plans available and then educate employees as to how to save for themselves.

The problem is that the retirement security of a great many workers now lies in their ability to contribute individually to these plans, and this is not always possible. Indeed, data suggests that if these individuals are able to save adequately at all, they do so late in their careers—this after paying for their homes, their childrens' education, and other important spending priorities. Only then do they have the opportunity to accumulate the money needed to supplement Social Security and carry them through retirement. But these are the lucky ones. The fact is a large portion of Americans simply no longer have the capacity to save, this in spite of living in a time of economic prosperity. This too needs to be changed.

There is a third reason to re-evaluate ERISA, and that is that the dynamics of the New Economy demand a discussion of what retirement policies best serve the economic interests of the United States. For a good part of this century, private pension plans were seen by employers as a way to keep their workforce intact, their employees' morale high, and devotion to the company constant. Employees stayed with companies because they identified with the company and were treated by employers as family. Continuity and connection were the primary motivations for individuals as they considered a job.

Recently, however, this rationale has changed, and has done so significantly. According to most analysts, the main determinant for most employees as they choose a job is personal development and professional growth, the feeling being that economic security is best attained by mobility—moving from one job to another, increasing education, pay, and retirement savings as you go. Staying at one firm is still an ideal for some but it is not essential for many. Perhaps more importantly, given the dynamics of the New Economy, it may no longer be practical to assume that you can find retirement security at a single firm.

The bottom line, much as the recent debates over cash balance plans suggest, is that some very basic issues concerning pension policy are coming to the fore at this time, examples being the essence of the employer-employee relationship, the ability of companies to attract and maintain a skilled workforce, the benefits provided to short- and long-term employees, the advisability of worker mobility seen in the context of technological innovation and globalization, and so on. Here, we must confront the reality of political economic change, and do so quickly and coherently.

But Congress is not doing that. As I stated previously, we are reacting to changes rather than planning for the future in a coherent and strategic manner. In my view, this is an extremely serious problem as it limits our ability to create the conditions necessary for national economic growth and individual economic welfare.

As many of my colleagues know, the notion of a Pension Commission has been discussed and debated for a number of years, but we have never placed it high enough on our list of priorities to address it with purpose. I would argue that we can no longer afford the luxury of contemplation, and the time to act is now. Failure to adjust our existing policies to meet the challenges we face both now and in the future will result in several specific outcomes.

First, it will mean that many workers will see their retirement expectations fade or disappear. Second, it will likely mean that these individuals will be forced to rely on government sponsored programs that are themselves financially overextended. Finally, it will mean that the capacity of U.S. firms to compete in the global marketplace will be diminished. In my view, none of these outcomes are acceptable. We simply must become more thoughtful and pro-active.

The bill I introduce today has a number of purposes, but foremost among them is to establish an affordable, accessible, equitable, efficient, cost-effective, and easy to understand private pension plan system in the United States. It is designed to conduct a complete top-to-bottom evaluation of the current system and provide concrete recommendations as to how we can reform it to serve the interests of employers, employees, and the entire nation as a whole.

This Commission will be composed of fifteen members, all with significant experience in areas related to retirement income policy. It is mandated that the activities of the Commission

will be concluded in a little over two years, with specific language to be provided to Congress so that we can act on their recommendations immediately. To ensure that the activities of the Commission are not redundant or otherwise wasteful, it will be allowed to secure data from any government agency or department dealing with retirement policy, and furthermore, may request detailees from these agencies and departments on a non-reimburseable basis. The Commission will also be allowed to hold hearings, take testimony, and receive evidence as appropriate from individuals who are able to contribute to this reform effort.

This bill has been created after detailed discussions with a number of individuals and organizations interested in retirement policy, from the Employee Benefits Research Institute, to the Center for Budget and Policy Priorities, to the Association of Private Pension and Welfare Plans. Although all of the organizations involved have their own perspective on how retirement policy issues should be addressed in the United States, I have made a concerted effort to make their concerns compatible in this legislation. Significantly, all endorse the goals of the bill, as does the American Academy of Actuaries, the Executive Committee of the New York State Bar Association, and the Chairman of the Special Commission on Pension Simplification of the New York State Bar Association, Mr. Alvin D. Lurie.

Mr. President, although there is much to recommend concerning our current pension system, it is common knowledge that this system is, in many instances, too complicated for participants to understand, too difficult for businesses to use, and too inaccessible for individuals to join. We have added layer upon layer of legislation, to the point that the system is not only unwieldy, but often of questionable purpose. We have reached the point that its complexity and inaccessibility is having a tangible impact on individuals and businesses alike.

In my view, the status quo is no longer viable or acceptable. It is time to meet the challenge that faces us in a direct and strategic fashion. It is time to reform and simplify the system so that we have a effective mechanism that serves employers and employees alike and provides the means to guarantee all Americans income security in their retirement years.

Mr. President, the time to act is now. I ask my colleagues to recognize the importance of this legislation, and lend their support for its passage.

Mr. President, I ask unanimous consent that a copy of the bill be included in the RECORD at the conclusion of my statement. I also ask that the letters of support from the American Academy of Actuaries and the Association of Private Pension and Welfare Plans be included in the RECORD immediately following my floor statement.

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

S. 2922

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 ''Pension Reform and Simplification Commission Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The creation and implementation of an affordable, accessible, equitable, efficient, cost-effective, and easy to understand system is essential to the continuity and viability of the current private pension plan system in the United States.

(2) There is a near universal recognition in the United States that the laws that regulate our pension system have become unwieldy, complex, and burdensome, a condition that hinders the achievement of increased saving and economic growth and cannot be fixed by ad hoc improvements to ERISA and the Internal Revenue Code of 1986.

(3) Significant and effective improvement of laws can only be accomplished through a coordinated, comprehensive, and sustained effort to revise and simplify current laws by a high-level body of pension experts, whose recommendations are then transmitted to Congress.

(4) In recent years, the adoption of narrowly focused and increasingly complex statutes through amendment of the Employee Retirement Income Security Act of 1974 (in this Act referred to as ''ERISA'') and the Internal Revenue Code of 1986 has impeded the efforts of employers and employees to save for their retirement and imposed significant challenges for businesses which consider establishing pension plans for their workforce.

(5) A high national savings rate can contribute significantly to the economic security of the Nation as it adds to available investment capital, fuels economic growth, and enhances productivity, competitiveness, and prosperity.

(6) The Federal Government can potentially increase the national savings rate through the implementation of policies that create an effective framework for the spread of voluntary retirement plans and the protection of the private assets held in those plans.

(7) Private pension plans have been, and remain, the single largest repository of private capital in the world and potentially act as a significant inducement for personal saving and investment.

(8) Pensions represent the only hope that most working Americans have an adequate supplement to social security benefits, and while the private pension system has been greatly improved since the establishment of ERISA, many inequities remain, and many workers are still not covered by the system.

(9) It is essential that all Americans, no matter what their income security level, have the opportunity to achieve income security in their retirement years. Currently, many tax and retirement incentives for private pension plans, while benefiting higher income employees who can often save adequately for their retirement, do not serve sufficiently the needs of low and moderate income workers.

(10) The current pensions rules have tended to produce disparate coverage rates for low and moderate income workers.

(11) The failure of the Government to modify current pension policies will mean that many workers will be deprived of the options needed to save for their retirement and will, consequently, have their retirement expectations minimized or eliminated.

(12) The failure of the Government to redress the burdens imposed by over-regulation and complexity on employer-sponsored pension plans will harm employees and their families.

(13) The failure of the Government to redress the problems related to private pension plans may erode the ability of United States companies to compete effectively in the international market and result in a decrease in the economic health of the Nation.

SEC. 3. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the Pension Reform and Simplification Commission (in this Act referred to as the ''Commission'').

SEC. 4. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) study the strengths, weaknesses, and challenges involved in the regulation of the current private pension system;

(2) review and assess Federal statutes relating to the regulation of the current private pension system; and

(3) recommend changes in the law regarding the regulation of the current private pension system to mitigate the problems identified under subsection (b), with the goal of making the system more affordable, accessible, efficient, less costly, less complex, and, in general, to expand pension coverage.

(b) ISSUES TO BE STUDIED.—The Commission shall include in the study under subsection (a) a consideration of—

(1) the manner in which the current rules impact private pension coverage, how such coverage has changed over the last 25 years (since the enactment of ERISA), and reasons for such change;

(2) the primary burdens placed on small and medium business in the United States regarding administration of pension plans, especially how such burdens affect the tenuous position occupied by these organizations in the competitive market;

(3) the simplification of existing pension rules in order to eliminate undue costs on employers while providing retirement security protection to employees;

(4) the primary obstacles to employees in gaining optimum advantages from the current pension system, with particular attention to the small and medium business sector and low and moderate income employees, including minorities and women;

(5) the feasibility of providing innovative design options to enable small and medium businesses to be relieved of complex and costly legislative and regulatory burdens in matters of adoption, operation, administration, and reporting of pension plans, in order to increase affordable and effective coverage in that sector, for low and moderate income employees, with emphasis on minorities and women;

(6) the means of leveling distribution of private pension plan coverage between high wage earners and low and moderate income workers;

(7) the feasibility of forward-looking reforms that anticipate the needs of small and medium businesses in the United States given the obstacles and opportunities of the new global economy, in particular issues related to the mobility and retention of skilled workers;

(8) how pension plan benefits can be made more portable;

(9) the means of achieving the expansion and adoption of pension plans by United States businesses, especially those employing low and moderate income workers who currently lack access to such plans;

(10) the impact of expanding individual retirement account contribution limits and income limits on private pension plan coverage;

(11) the provision of innovative incentives that encourage more employers to use existing private pension plans;

(12) the impact of qualified plan contribution and benefit limits on coverage; and

(13) any proposals for major simplification of Federal legislation and regulation regarding qualified pension plans, in order to address and mitigate problem areas identified under this subsection, with the goal of—

(A) strengthening the private pension system;

(B) expanding the availability, adoption, and retention of tax-favored savings plans by all Americans;

(C) eliminating rules that burden the pension system beyond the benefits they provide, for low and moderate income workers, including minorities and women, with specific emphasis on—

(i) eligibility and coverage;

(ii) contributions and benefits;

(iii) minimum distributions, withdrawals, and loans;

(iv) spousal and beneficiary benefits;

(v) portability between plans;

(vi) asset recapture;

(vii) plan compliance and termination;

(viii) income and excise taxation; and

(ix) reporting, disclosure, and penalties; and

(D) identification of the trade-offs involved in simplification under subparagraph (C).

(c) REPORT.—

(1) IN GENERAL.—Not later than 24 months after the designation of the chairperson under section 5(d), the Commission shall transmit to the President and Congress a report containing—

(A) the issues studied under subsection (b);

(B) the results of such study;

(C) draft legislation and commentary under paragraph (2); and

(D) any other recommendations based on such study.

(2) LEGISLATIVE RECOMMENDATIONS.—The Commission shall develop draft legislation and associated explanations and commentary to achieve major simplification of Federal legislation regarding regulation of pension plans (including ERISA and the Internal Revenue Code of 1986) to implement any findings or recommendations of the study conducted under subsection (b).

(3) RECOMMENDATIONS.—Any official findings or recommendations of the Commission shall be adopted by ⅔ of the members of the Commission.

(4) MINORITY VIEWS.—All findings and recommendations of the Commission formally proposed by any member of the Commission and not adopted under paragraph (3) shall also be included in the report.

SEC. 5. MEMBERSHIP OF THE COMMISSION; RULES; POWERS.

(a) COMPOSITION.—

(1) NUMBER.—The Commission shall be composed of 15 members, appointed not later than 45 days after the date of enactment of this Act.

(2) APPOINTMENTS.—The membership of the Commission shall be as follows:

(A) 3 individuals appointed by the President, after consultation with the Secretary of Labor and the Secretary of the Treasury, or their respective designees.

(B) 3 individuals appointed by the majority leader of the Senate.

(C) 3 individuals appointed by the minority leader of the Senate.

(D) 3 individuals appointed by the Speaker of the House of Representatives.

(E) 3 individuals appointed by the minority leader of the House of Representatives.

(b) QUALIFICATIONS OF MEMBERS.—

(1) IN GENERAL.—Individuals appointed under subsection (a)(2) shall be individuals who—

(A) have experience in actuarial disciplines, law, economics, public policy, human relations, business, manufacturing, labor, multiemployer pension plan administration, single employer pension plan administration, or academia, or have other distinctive and pertinent qualifications or experience in retirement policy;

(B) are not officers or employees of the United States; and

(C) are selected without regard to political affiliation or past partisan activity.

(2) OTHER CONSIDERATIONS.—In the appointment of members under subsection (a), every effort shall be made to ensure that the individuals, as a group—

(A) are representatives of a broad cross-section of perspectives on private pension plans within the United States;

(B) have the capacity to provide significant analytical insight into existing obstacles and opportunities of private pension plans; and

(C) represent all of the areas of experience under paragraph (1)(A).

(c) TERMS; VACANCIES.—

(1) TERMS.—Each member shall be appointed for the life of the Commission.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers and shall be filled in the same manner as the appointment of the member causing the vacancy.

(d) CHAIRPERSON; VICE CHAIRPERSON.—Not later than 60 days after the date of enactment of this Act, the President shall designate a chairperson and vice chairperson of the Commission from the individuals appointed under subsection (a)(2).

(e) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in subparagraph (B), members of the Commission shall serve without pay.

(2) TRAVEL EXPENSES.—Each member of the Commission may receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code, while away from their homes or regular place of business in the performance of services for the Commission.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Eight members of the Commission shall constitute a quorum for conducting the business of the Commission, except 5 members of the Commission may hold hearings, take testimony, or receive evidence.

(2) NOTICE.—Any meetings held by the Commission shall be duly noticed in the Federal Register at least 14 days prior to such meeting and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, think tanks, and State and local government officials to testify.

(4) MEETINGS.—The Commission shall meet at the call of the chairperson of the Commission.

(5) OTHER RULES.—The Commission shall adopt such other rules as necessary.

(g) POWERS OF THE COMMISSION.—

(1) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly from any Federal department or agency such materials, resources, data, and other information as the Commission considers necessary to carry out the provisions of this section. Upon request of the chairperson of the Commission, the head of such department or agency shall furnish such materials, resources, data, and other information to the Commission.

(B) COORDINATION OF RESEARCH INFORMATION.—The Commission shall ensure effective use of such materials, resources, data, and other information and avoid duplicative research by coordinating and consulting with the head of the appropriate research department of—

(i) the Pension and Welfare Benefits Administration of the Department of Labor;

(ii) the Department of the Treasury;

(iii) the Social Security Administration;

(iv) the Small Business Administration;

(v) the Pension Benefit Guaranty Corporation;

(vi) the National Institute on Aging; and

(vii) private organizations which have conducted research in the pension area.

(2) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

(3) ACCEPTANCE OF SERVICES; GIFTS; AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(4) CONTRACT AND PROCUREMENT AUTHORITY.—The Commission may make purchases, and may contract with and compensate government and private agencies or persons for property or services, without regard to—

(A) section 3709 of the Revised Statutes (41 U.S.C. 5); and

(B) title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.).

(5) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

SEC. 6. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR; STAFF.—

(1) IN GENERAL.—The chairperson of the Commission may, without regard to civil service laws and regulations and after consultation with the Commission, appoint an executive director of the Commission and such other additional personnel as may be necessary to enable the Commission to perform its duties.

(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 IV of the Executive Schedule under section 5315 of such title.

(b) STAFF OF FEDERAL AGENCIES.—Upon request by the chairperson of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this Act and such detail shall be without interruption or loss of civil service status or privilege.

(c) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, any administrative support services that are necessary to enable the Commission to carry out this Act.

SEC. 7. TERMINATION.

The Commission shall terminate not later than 26 months after the date of enactment of this Act.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

AMERICAN ACADEMY OF ACTUARIES,
July 13, 2000.

Hon. JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BINGAMAN: The American Academy of Actuaries would like to express its strong support for your idea of establishing a national commission on pension reform and simplification. The Academy has long advocated a comprehensive and coordinated approach to retirement policy. We believe the establishment of a bipartisan commission of experts to analyze obstacles that weaken our private pension system and recommend solutions is a positive first step. The Academy also believes that slight modifications to your proposal would make the commission more effective.

The Academy commends you for recognizing that, because the laws that regulate our private pension system have become too complex, they discourage employers from helping their workers save for an adequate retirement. We strongly support the concept of a bipartisan commission of experts that will recommend specific ways to simplify the rules governing private plans, thereby encouraging employers to expand coverage to more workers.

The Academy believes that the commission called for in your proposal could be made more effective if Congress was required to have an up-or-down vote on its recommendations. Furthermore, we believe that, given the expertise available to the commission, it should be possible to formulate a result in 12–18 months, rather than the 24 months specified in your legislation. Finally, we would encourage the commission to examine pension changes in the context of a national retirement income policy, including Social Security, since major changes to the private pension system undoubtedly will affect Social Security.

The Academy believes that creation of a national commission will be a positive first step toward our mutual goal of increasing pension coverage for Americans. We appreciate your recognition of the unique role that actuaries should play in such a commission and look forward to providing any assistance that may be of benefit to you and your staff.

Sincerely,

JAMES E. TURPIN,
Vice President, Pensions.

APPWP, ASSOCIATION OF PRIVATE PENSION AND WELFARE PLANS,
July 18, 2000.

Pension Reform and Simplification Commission Act

Senator JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BINGAMAN: On behalf of the Association of Private Pension and Welfare Plans (APPWP—The Benefits Association), I want to express our appreciation for your interest in, and support for, our nation's voluntary, employer-sponsored retirement system as evidenced by the Pension Reform and Simplification Commission Act that you will soon introduce. APPWP is a public policy organization representing principally Fortune 500 companies and other organizations that assist companies of all sizes in providing benefits to employees. Collectively, APPWP's members either sponsor directly or provide services to retirement and health plans that cover more than 100 million Americans. We appreciate your past and continuing efforts to expand the private, voluntary retirement system that currently enables millions of working Americans to achieve financial security in retirement.

As you know, the employer-based retirement system provides an important source of income security for many Americans in retirement, and, in many respects, has been successful in meeting the challenges of an aging population. However, we recognize that public policy can build and expand on this success. Many employers, particularly small companies, find it difficult to establish retirement plans because of cost and administrative complexity. As a result, many workers do not have access to private pensions and cannot save adequately for retirement. Moreover, our pension laws have not kept pace with the rapid developments in the business world. New technologies, international competition, and many types of corporate transactions pose unique pension challenges that should be better accommodated by our nation's retirement policy. APPWP has consistently campaigned for expansion and reform of the nation's pension laws with the express goals of expanding coverage, increasing portability, reducing complexity, and reflecting business realities. We are therefore pleased that you have made these goals the central objective of the commission you propose.

In particular, APPWP commends you for putting the focus of pension reform on expanding coverage. You correctly note that our retirement system has become overly burdened with unwieldy and complex rules that have impeded expanded coverage and increased retirement security for all Americans. Your advocacy on behalf of the goals of coverage and simplification is an important step towards realizing a more secure retirement for all Americans.

We look forward to working with you on these important issues. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,

JAMES A. KLEIN,
President.

By Mr. KENNEDY (for himself, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. MOYNIHAN, Mr. L. CHAFEE, Ms. COLLINS, Ms. SNOWE, Mr. BAUCUS, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Mr. BRYAN, Mr. KERREY, Mr. ROBB, Mr. INOUYE, Mr. LAUTENBERG, Mr. AKAKA, Mr. SCHUMER, and Mr. LEAHY):

S. 2923. A bill to amend title XIX and XXI of the Social Security Act to provide for FamilyCare coverage for parents of enrolled children, and for other purposes; to the Committee on Finance.

THE FAMILY CARE ACT OF 2000

Mr. KENNEDY. Mr. President, I am pleased to announce the introduction of the Family Care Act of 2000, which takes the next logical step in assuring access by as many citizens as possible to affordable health insurance. I commend Congressman JOHN DINGELL and the rest of our colleagues for their fine work in crafting this legislation.

The number of uninsured Americans is now more than 44 million, and the figure is rising by an average of one million a year. America is the only industrial country in the world, except South Africa, that fails to guarantee health care for all it citizens.

It is a national scandal that lack of insurance coverage is the seventh leading—and most preventable—cause of death in America today.

Three years ago, we worked together to create CHIP, the federal-state Children's Health Insurance Program, which provides coverage to children in families with incomes too high for Medicaid and too low to afford private health insurance.

More than two million children have been enrolled in that program, and millions more have signed up for Medicaid as a result of outreach activities. Soon, more than three-quarters of all uninsured children in the nation will be eligible for assistance through either CHIP or Medicaid.

But, despite this progress, the parents of these children, and too many others, have been left behind. The time has come to take the next step.

The overwhelming majority of uninsured low-wage parents are struggling to support their families. I will ask unanimous consent to insert a statement in the RECORD from Patricia Quezada, a parent of three lovely girls, who would benefit from this legislation.

Parents who work hard, 40 hours a week, 52 weeks a year, should be eligible for assistance to buy the health insurance they need in order to protect their families. Our message to them today is that help is on the way.

Often, they work for companies which don't offer insurance, or they aren't eligible for insurance that is offered. Fewer than a quarter of the jobs taken by those who have been forced off the welfare rolls by welfare reform offer insurance as a benefit—and even when it is offered too few companies make it available for dependents. The time has come to take the next step.

The Family Care Act of 2000 will provide with the resources, incentives and authority to extend Medicaid and CHIP to the parents of children covered under those programs.

Coverage for parents also means better coverage for children. Parents are much more likely to enroll their children in health insurance, if the parents themselves can have coverage, too.

This step alone will give to six and a half million Americans the coverage they need and deserve.

The Family Care Act will also improve the outreach and enrollment for CHIP and Medicaid, and encourage states to extend coverage to other vulnerable population, such as pregnant women, legal immigrants, and children ages 19 and 20.

This program is affordable under current and projected budget surpluses. The Congressional Budget Office estimates that the cost will be $11 billion over the next five years.

Last Monday, a majority of the Senate voted in favor of this proposal as an amendment to the marriage penalty bill. We needed 60 votes, so it was not successful then, but we clearly have a bipartisan majority of the Senate.

The bottom line is that we have the resources to take this needed step, and

end the suffering and uncertainty that accompanies being uninsured.

Mr. President, I ask unanimous consent that statements and letters of support for this legislation be printed in the RECORD.

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

STATEMENT OF PATRICIA QUEZADA, JULY 21, 2000

Good morning. I am Patricia Quezada. I am a mother of three girls (ages 9, 8 and 5). I work as a part-time parent liaison at Weyanoke Elementary School in Fairfax, Virginia. My husband is a self-employed general contractor. Because my husband is self-employed and I work part-time, our family does not have access to health insurance through our jobs.

In the past, we were able to purchase private insurance that covered our family. But, in recent times, our family has been unable to afford the high rates because it came down to either paying for our home, transportation and other necessities—including food—or purchasing this costly insurance. On two occasions, the coverage was cancelled because we were unable to meet the payments, which were required in advance.

It was such a relief that my children are now able to receive coverage through Medicaid and CMSIP, Virginia's SCHIP Program. (As a parent-liaison, part of my job has been to help other families sign up their children for health insurance.) I feel extremely fortunate that my children are now covered in case of an illness or accident, however I continue to fear what could happen if my husband or I fall sick or have an injury. While we both do our best to take care of our health, we know how important it is to have health insurance coverage if we should need it.

Thank you.

CHILDREN'S DEFENSE FUND,
Washington, DC, July 21, 2000.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: We are taking this opportunity to thank you for introducing the FamilyCare Act of 2000 and to express the strong support of the Children's Defense Fund for this bipartisan initiative to provide and strengthen health care coverage for uninsured children and their parents. Building on the successes of Medicaid and the Children's Health Insurance Program (CHIP), this legislation will increase coverage for uninsured children, provide funding for health insurance coverage for the uninsured parents of Medicaid and CHIP-eligible children, and simplify the enrollment process for Medicaid and CHIP to make the programs more family friendly.

We want to extent our appreciation to Senators Chafee, Collins, Daschle, Lautenberg, Rockefeller, and Snowe for co-sponsoring this legislation in the Senate and to Representatives Dingell, Stark, and Waxman for taking the lead on this proposal in the House. We look forward to working with you for passage of the FamilyCare Act of 2000.

Sincerely,

GREGG HAIFLEY,
Deputy Director Health Division.

NATIONAL ASSOCIATION OF
CHILDREN'S HOSPITALS,
Alexandria, VA, July 21, 2000.

Hon. EDWARD KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the National Association of Children's Hospital (N.A.C.H.), which represents over 100 children's hospitals nationwide, I want to express our strong support for your introduction of the ''FamilyCare Act of 2000.''

As providers of care to all children, regardless of their economic status, children's hospitals devote nearly half of their patient care to children who rely on Medicaid or are uninsured, and more than three-fourths of their patient-care to children with chronic and congenital conditions. These hospitals have extensive experience in assisting families to enroll eligible children in Medicaid and SCHIP. They are keenly aware of the importance of addressing the challenges that states face in enrolling this often hard to reach population of eligible children.

In particular, N.A.C.H. appreciates and strongly supports your efforts to simplify and coordinate the application process for SCHIP and Medicaid, as well as to provide new tools for states to use in identifying and enrolling families. In addition, N.A.C.H. applauds your provisions that set a higher bar for covering children by: (1) requiring states to first cover children up to 200% of poverty and eliminating waiting lists in the SCHIP program before covering parents; and (2) requiring every child who loses coverage under Medicaid or SCHIP to be automatically screened for other avenues of eligibility and if found eligible, enrolled immediately in that program.

N.A.C.H. also supports your legislation's provision to give states additional flexibility under SCHIP and Medicaid to cover legal immigrant children. In states with high proportions of uninsured children, such as California, Texas and Florida, the federal government's bar on coverage of legal immigrant children helps contribute to the fact that Hispanic children represent the highest rate of uninsured children of all major racial and ethnic minority groups. Your provision to ensure coverage of legal immigrant children would be extremely useful in improving this situation.

N.A.C.H. greatly appreciates all that you have done throughout your years of service, and continue to do, to provide all children with the best possible chance at starting out and staying healthy. We welcome and look forward to working with you to pass the ''FamilyCare Act of 2000.''

Sincerely,

LAWRENCE A. MCANDREWS.

MARCH OF DIMES,
BIRTH DEFECTS FOUNDATION,
Washington, DC, July 21, 2000.

Hon. EDWARD KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of more than 3 million volunteers and 1600 staff members of the March of Dimes, I want to commend you for introducing the ''FamilyCare Act of 2000.'' The March of Dimes is committed to increasing access to appropriate and affordable health care for women, infants and children and supports the targeted approach to expanding the State Children's Health Insurance Program contained in the FamilyCare proposal.

The ''FamilyCare Act of 2000'' contains a number of beneficial provisions that would expand and improve SCHIP. The March of Dimes strongly supports giving states the option to cover low-income pregnant women in Medicaid and SCHIP programs with an enhanced matching rate. We understand that FamilyCare would allow states to cover uninsured parents of children enrolled in Medicaid and SCHIP as well as uninsured first-time pregnant women. SCHIP is the only major federally-funded program that denies coverage to pregnant women while providing coverage to their infants and children. We know prenatal care improves birth outcomes. Expanding health insurance coverage for low-income pregnant women has bipartisan support in both the House and Senate.

The March of Dimes also supports FamilyCare provisions to require automatic enrollment of children born to SCHIP parents; automatic screening of every child who loses coverage under Medicaid or SCHIP to determine eligibility for other health programs; and distribution of information on the availability of Medicaid and SCHIP through the school lunch program. The March of Dimes also supports giving states the option to provide Medicaid and SCHIP benefits to children and pregnant women who arrived legally to the United States after August 23, 1996, and to people ages 19 and 20.

We thank you for your leadership in introducing the ''FamilyCare Act of 2000'' and are eager to work with you to achieve approval of this much needed legislation.

Sincerely,

ANNA ELEANOR ROOSEVELT,
Vice Chair, Board of Trustees; Chair, Public Affairs Committee.

DR. JENNIFER L. HOWSE,
Presdient.

ASSOCIATION OF MATERNAL AND
CHILD HEALTH PROGRAMS,
Washington, DC, July 20, 2000.

Hon. EDWARD KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the Association of Maternal and Child Health Programs (AMCHP), I am writing to express our support of the FamilyCare Act of 2000. We are particularly supportive of the provisions that allow states to include pregnant women in their SCHIP and Medicaid programs.

We are also pleased with the provisions giving states the flexibility to expand outreach activities as well as moving towards greater equity in program payments.

AMCHP represents state officials in 59 states and territories who administer public health programs aimed at improving the health of all women, children, and adolescents. In 1997, over 22 million women, children, adolescents and children with special health care needs received services, which were supported by the Maternal and Child Health Block Grant.

We look forward to working with you and your staff on this bill.

Sincerely,

DEBORAH DIETRICH,
Director of Legislative Affairs.

AMERICAN DENTAL
HYGIENIST ASSOCIATION,
Washington, DC, July 24, 2000.

Hon. EDWARD M. KENNEDY,
Hon. JAY ROCKEFELLER,
U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND ROCKEFELLER: on behalf of the American Dental Hygienists' Association (ADHA), I write to express ADHA's support for the principles espoused in the Family Care Act of 2000. This legislation is an important step toward the goal of meaningful health insurance coverage, including oral health insurance coverage, for all children and their parents.

Regretfully, there is room for much improvement in our children's oral health, a fundamental part of total health. Studies show that oral disease currently afflicts the majority of children in our country. Dental caries (tooth decay), gingivitis, and periodontitis (gum and bone disorders) are the most common oral diseases. The Public Health Service reports that 50% of all children in the United States experience dental caries in their permanent teeth and two-thirds experience gingivitis.

The percentages of children with dental disease are likely far higher for the traditionally underserved Medicaid-eligible population and for those eligible for the State Children's Health Insurance Program (SCHIP). For example, one of the most severe forms of gum disease—localized juvenile periodontitis—disproportionately affects teenage African-American males and can result in the loss of all teeth before adulthood. If untreated, gum disease causes pain, bleeding, loss of function, diminished appearance, possible systemic infections, bone deterioration and eventual loss of teeth. Yet, each of the three most common oral health disorders—dental caries, gingivitis, and periodontitis—can be prevented through the type of regular preventive care provided by dental hygienists.

Despite the known benefits of preventive oral health services and the inclusion of oral health benefits in Medicaid's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, only one in 5 (4.2 million out of 21.2 million) Medicaid-eligible children actually received preventive oral health services in 1993 according to a 1996 U.S. Department of Health and Human Services report entitled Children's Dental Services Under Medicaid: Access and Utilization.

The nation simply must improve access to oral health services and your legislation is an important building block for all who care about our children's oral health, a fundamental part of general health and well-being.

We in the dental hygiene community look forward to working together toward our shared goal of health insurance coverage for all of our nation's families. Please feel free to call upon me or ADHA's Washington Counsel, Karen Sealander of McDermott, Will & Emery (202–756–8024), at any time.

Sincerely,

STANLEY B. PECK,
Executive Director.

PREMIER INC.,
Washington, DC, July 21, 2000.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of Premier Inc., I am writing to applaud your introduction of the ''FamilyCare Act of 2000'' and express our strong support. Premier is a strategic alliance of leading not-for-profit hospitals and health systems across the nation. Premier provides group purchasing and other services for more than 1,800 hospitals and healthcare facilities.

As reported by the Urban Institute in the July/August issue of Health Affairs, the population of non-elderly uninsured grew by 4.2 million between 1994 and 1998. This hike in the rate of uninsured occurred among children and adults. In the same period, Medicaid coverage fell from 10 to 8.4 percent, or about 3.1 million persons (1.9 million children and 1.2 million adults). Your legislation confronts and seeks to address these disturbing trends head on.

The FamilyCare Act of 2000 not only expands coverage to children—it also enables states to provide health insurance to parents of children enrolled in CHIP and Medicaid. The bill creates new opportunities for states to cover immigrant children and pregnant women, and provides for the automatic coverage of children born to CHIP-enrolled parents, thereby enhancing presumptive eligibility.

This legislation provides for the mutual reinforcement of the Medicaid and CHIP programs by integrating eligibility determination and outreach efforts. A standard application form and simple enrollment process for both programs will raise the participation rate for both programs. Finally, the bill provides grants to support broader outreach activities and employer subsidies to offer health insurance packages, thereby encouraging joint public/private market innovations to reduce the population of uninsured.

Stifling the growth in the rate of uninsured and reversing the trend remain a top priority for the hospital community. Securing the appropriate preventative care for these individuals will improve the quality and cost-effectiveness of further care, as the uninsured are more likely to be hospitalized for medical conditions that, initially, could have been managed with physician care and/or medication.

Thank you for taking the lead in addressing the problem of America's uninsured. We look forward to working with you toward enactment of this important legislation.

Sincerely,

KERB KUHN,
Vice President, Advocacy.

FAMILIES USA,
Washington, DC, July 17, 2000.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: We congratulate you on the introduction of your bill, the Family Care Act of 2000, which gives states the option to provide parents of children enrolled in the Medicaid and CHIP programs with health insurance. We believe that your bill is a crucial next step in addressing the problem of our nation's uninsured, and we offer our unequivocal support.

By covering parents through CHIP, the Family Care Act could provide health insurance to over four million previously uninsured Americans. We believe this is a cost-effective and efficient way to provide quality healthcare to low- and moderate-income working families. Children of CHIP-enrolled parents will be automatically enrolled at birth, but, equally importantly, research has shown that children are more likely to have health coverage when their parents are insured. This means that the Family Care Act could, in effect, cover many more Americans than the estimated four million. Additionally, the expansion of coverage to legal immigrant children and pregnant women addresses the needs of two particularly vulnerable groups.

Again, we applaud your ongoing leadership in tackling the problem of the uninsured, and we support this important legislation. Please let us know how we can help you to enact this bill into law.

Sincerely,

RONALD F. POLLACK,
Executive Director.

AMERICAN HOSPITAL ASSOCIATION,
Washington, DC, July 21, 2000.

Hon. EDWARD M. KENNEDY,
Ranking Member, Committee on Health, Education, Labor, and Pensions, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: The American Hospital Association (AHA), which represents, 5,000 hospitals, health care systems, networks, and other providers of care, is pleased to support the FamilyCare Act of 2000. The AHA shares your goal of expanding access to health care coverage for the 44 million uninsured Americans. We believe the federal budget surplus offers a unique opportunity to fund solutions to the health care problems of the uninsured.

Recent Medicaid expansions and the creation of the State Children's Health Insurance Program (S–CHIP) have greatly improved access to health care coverage for millions of children living in low-income families. But more needs to be done. AHA strongly supports the objective of your legislation that embraces, as one option to address the problems of the uninsured, building on existing public programs to expand coverage to the parents of the children covered by S–CHIP.

Furthermore, your provisions that include coverage for legal immigrants, improve Medicaid coverage for those transitioning from welfare-to-work, and create state grant programs to encourage market innovation in health care insurance are to be applauded. AHA believes these are good first steps toward lowering the numbers of the uninsured.

In addition to expanding public programs, AHA supports measures that make health care insurance more affordable for low-income working families. Toward that end, AHA also support H.R. 4113, bipartisan legislation establishing refundable tax credits to assist low-income families in the purchase of health care insurance.

Our nation's hospitals see every day that the absence of health coverage is a significant barrier to care, reducing the likelihood that people will get appropriate preventive, diagnostic and chronic care. With the uninsured growing in numbers, AHA supports your effort to build on current public programs as an important option to make it possible for more low-income families to get needed health care coverage. We thank you for your leadership and we look forward to working with you on advancing the FamilyCare Act of 2000.

Sincerely,

RICK POLLACK,
Executive Vice President.

NETWORK,
Washington, DC, July 2000.

From NETWORK—A National Catholic Social Justice Lobby.

Re: The Family Care Act of 2000.

HON. SENATOR TED KENNEDY: Since 1975, NETWORK: A National Catholic Social Justice Lobby has worked for universal access to affordable, quality health care. NETWORK considers the constant increase in the number of uninsured persons a national disgrace and a serious moral and ethical issue. Sadly, the political will to reform the nation's fragmented non-system of health care is seriously lacking in the current climate of commercialization and profit-making. Therefore, millions of American citizens are denied their human right to medical care.

Given that as the context, NETWORK supports the efforts of those legislators who recognize that the anticipated federal surplus should be utilized in part to rectify the serious flaws inherent in the present situation. The Family Care Act of 2000 is one of those efforts. NETWORK urges Congress to pass the proposal.

The goal of the bill is to build on existing legislation in order to enroll more uninsured children and their working parents in Medicaid or CHIP. The bill requires that states first cover children up to 200% of poverty before they enroll parents. This will serve to increase coverage of previously eligible but uninsured children by eliminating the CHIP waiting lists. It is estimated that over 4 million previously uninsured children will be enrolled.

The proposal targets $50 billion in new money to enable the states to enroll the parents of children already covered by Medicaid and CHIP. This would reduce the number of uninsured parents by an estimated 6.5 million, one out of seven of the nation's uninsured. Most of these uninsured families have at least one member who works.

In addition, the bill proposes another $100 million per year for five years to encourage the states to develop innovative approaches to expanding coverage, tailoring their solutions to market needs. Much needed is the

proposed extension of The Transitional Medicaid Assistance program. Some of the requirements which jeopardize access to health care by persons moving from welfare to low-wage, non-benefit jobs will be removed. First time pregnant women will receive prenatal care under the CHIP program and grants will enable states to develop innovative coverage mechanisms.

All in all, the Family Care Act of 2000 as drafted seeks to rectify to a marked degree the serious problem of lack of health care coverage for the most vulnerable in our society, low-wage working families and their children.

KATHY THORNTON RSM,
National Coordinator.
CATHERINE PINKERTON,
CSJ Lobbyist.

Mr. ROCKEFELLER. Mr. President, over the last several years health care reform has dropped off our national and Congressional agenda. We talk about it primarily to posture politically, not because we are determined to actually succeed in extending coverage. Too often, the goal seems to be to simply create a campaign issue and make voters believe we are working to solve the problem, when in reality no progress is being made.

This year, we have seen a lot of talking on health care, but it's clear that Congress' priorities lie elsewhere. Just this past week we passed a tax break that will affect only 1.7 percent of Americans, yet will cost us $50 billion a year when fully phased in. In the meantime, 40 million people, mostly of modest incomes, continue to live their lives with little hope of getting the health coverage they need.

The question that Congress needs to answer: will we continue to sit back and simply watch as the problem of the uninsured grows worse?

Along with Senator KENNEDY, and Congressmen DINGELL, STARK and WAXMAN, I obviously have very clear answers to this question. And today we are offering a commonsense, bi-partisan step that Congress can take this year to improve the plight of working, uninsured families.

We know that the majority of those without health insurance are concentrated in lower-income, working families. The Medicaid and CHIP Family Care Improvement Act would target our efforts to these families by allowing states to extend Medicaid and CHIP to the parents of eligible children. This is a sensible, affordable expansion that will make a real and immediate difference for many American families.

In addition, FamilyCare would provide assistance to increase coverage for workers in small businesses by providing grant money for states to pursue new and innovative approaches to expand health insurance coverage through small business.

Our plan also gives states a number of new tools to help improve outreach and enrollment in Medicaid and the State Children's Health Insurance Program.

FamilyCare would provide health insurance coverage to millions of low-income working families for a fraction of the cost of the recently-passed tax breaks that affect only a small number of people.

Eight years ago, the fight for universal health care had a surge of energy and there was a common purpose among political leaders and the American people. Unfortunately, little progress has been made since then. While the number of uninsured has grown from 36 million in 1993 to 44 million in 1999, we have stood by as a nation and simply watched. Over the next 3 years, about 30 percent of the population, 81 million Americans, can expect a gap in their health insurance coverage lasting at least one month. It is practically inconceivable—and morally wrong—that we are allowing this to happen in such a strong economy, with an extremely competitive labor market.

It is time to end the failed experiment of trying to let the disease cure itself. We need to accomplish the goal of comprehensive reform in any way we can—even if it means continuing to work on incremental changes, as long as we always keep our target squarely set on universal coverage.

Today, we are giving Congress the opportunity to take a major step forward in accomplishing this goal. With FamilyCare, we are simply taking a program that is already working to reduce the number of uninsured, and expanding it to cover more people who we know need the help.

This approach makes so much sense that even the conservative Health Insurance Association of America—the organization that helped to defeat universal coverage—has offered its support. In addition, our bill has four Republicans as original cosponsors. With this bipartisan bill we have a real opportunity to stop talking about expanding health coverage, and start acting.

By Ms. COLLINS (for herself, Mr. DURBIN, and Mrs. FEINSTEIN):

S. 2924. A bill to strengthen the enforcement of Federal statutes relating to false identification, and for other purposes; to the Committee on the Judiciary.

THE INTERNET FALSE IDENTIFICATION PREVENTION ACT OF 2000

Ms. COLLINS. Mr. President, today, along with my colleague from Illinois, Senator DURBIN, I am introducing legislation to stem the proliferation of web sites that distribute counterfeit identification documents and credentials over the Internet.

In May, the Senate Permanent Subcommittee on Investigations, which I chair, held hearings on a disturbing new trend—the use of the Internet to manufacture and market counterfeit identification documents and credentials. Our investigation revealed the widespread availability on the Internet of a variety of fake ID documents or computer templates that allow individuals to manufacture authentic looking IDs in the seclusion of their own homes.

The Internet False Identification Prevention Act of 2000 will strengthen current law to prevent the distribution of false identification documents over the Internet and make it easier for Federal officials to prosecute this criminal activity.

The high quality of the counterfeit identification documents that can be obtained via the Internet is simply astounding. With very little difficulty, my staff was able to use Internet materials to manufacture convincing IDs that would allow me to pass as a member of our Armed Forces, as a reporter, as a student at Boston University, or as a licensed driver in Florida, Michigan, and Wyoming—to name just a few of the identities that I could assume, using these phony IDs. We found it was very easy to manufacture IDs that were indistinguishable from the real documents.

For example, using the Internet, my staff created this counterfeit Connecticut driver's license, which is virtually identical to an authentic license issued by the Connecticut Department of Motor Vehicles. Just like the real Connecticut license, this fake with my picture on it, includes a signature written over the picture—which is supposed to be a security feature. It includes an adjacent ''shadow picture,'' and it includes the bar code and the State seal for the State of Connecticut.

Each of these sophisticated features was added to the license by the State of Connecticut in order to make it more difficult to counterfeit. Yet the Internet scam artists have been able to keep up with the technology, and every time a State adds another security feature it has been easily duplicated.

Unfortunately, some web sites sell fake IDs complete with State seals, holograms, and bar codes to replicate a license virtually indistinguishable from the real thing. Thus, technology now allows web site operators to copy authentic IDs with an extraordinary level of sophistication and then distribute and mass produce these fraudulent documents for their customers.

The web sites investigated by my subcommittee offered a vast and varied product line, ranging from the driver's licenses that I already showed to military identification cards to Federal agency credentials, including those of the FBI and the CIA.

Other sites offered to produce Social Security cards, birth certificates, diplomas, and press credentials. In short, one can find almost any kind of identification document that one wants on the Internet.

The General Accounting Office and the FBI have both confirmed the findings of the subcommittee's investigation of this dangerous new trend. The GAO used counterfeit credentials and badges readily available for purchase via the Internet to breach the security at 19 Federal buildings and two commercial airports. GAO's success in doing so demonstrates that the Internet and computer technology allow

nearly anyone to create convincing identification cards and credentials.

The FBI has also focused on the potential of misuse of official identification, and just last month executive search warrants at the homes of several individuals who had been selling Federal law enforcement badges over the Internet.

Obviously, this is very serious. It allows someone to use a law enforcement badge to gain access to secure areas and perhaps to commit harm. For example, the FBI is investigating a very disturbing incident where someone allegedly displayed phony FBI credentials to gain access to an individual's hotel room and then allegedly later kidnaped and murdered that individual.

The Internet is a revolutionary tool of commerce and communications that benefits us all, but many of the Internet's greatest attributes also further its use for criminal purposes. While the manufacture of false IDs by criminals is certainly nothing new, the Internet allows those specializing in the sale of counterfeit IDs to reach a far broader market of potential buyers than they ever could by standing on the street corner in a shady part of town. They can sell their products with virtual anonymity through the use of e-mail services and free web hosting services and by providing false information when registering their domain names. Similarly, the Internet allows criminals to obtain fake IDs in the privacy of their own homes, substantially diminishing the risk of apprehension that attends purchasing counterfeit documents on the street.

Because this is a relatively new phenomenon, there are no good data on the size of the false ID industry or the growth it has experienced as a result of the Internet, but the testimony at our hearing indicates that the Internet is increasingly becoming the source of choice for criminals to obtain false IDs.

The subcommittee's investigation found that some web site operators apparently have made hundreds of thousands of dollars through the sale of phony identification documents. One web site operator told a State law enforcement official that he sold approximately 1,000 fake IDs each month and generated about $600,000 in annual sales.

Identify theft is a growing problem that these Internet sites facilitate. Fake IDs, however, also facilitate a broad array of criminal conduct. We found that some Internet sites were used to obtain counterfeit identification documents for the purpose of committing other crimes, ranging from very serious offenses, such as identify theft and bank fraud, ranging to the more common problem of teenagers using phony IDs to buy alcohol.

The legislation which Senator DURBIN and I are introducing today is designed to address the problem of counterfeit IDs in several ways. The central features of our legislation are provisions that modernize existing law to address the widespread availability of false identification documents on the Internet.

First, the legislation supplements current Federal law against false identification to modernize it for the Internet age. The primary law prohibiting the use and distribution of false identification documents was enacted in 1982. Advances in computer technology and the use of the Internet have rendered that law inadequate. This bill will clarify that the current law prohibits the sale or distribution of false identification documents through computer files and templates which our investigation found are the vehicles of choice for manufacturing false IDs in the Internet age.

Second, the legislation will make it easier to prosecute those criminals who manufacture, distribute, or sell counterfeit identification documents by ending the practices of easily removable disclaimers as part of an attempt to shield the illegal conduct from prosecution through a bogus claim of novelty.

What we found is that a lot of these web sites have these disclaimers, in an attempt to get around the law, saying that these can only be used for entertainment or novelty purposes. No longer will it be acceptable to provide computer templates of government-issued identification cards containing an easily removable layer saying it is not a government document.

I will give an example. this is a driver's license from Oklahoma. It is a fake ID which my staff obtained via the Internet. It is enclosed in a plastic pouch that says ''Not a Government Document'' in red print across it, but it was very easily removed. All one had to do, with a snip of the scissors, was cut the pouch, and then the ID is easily removed and the disclaimer is gone. That is the kind of technique that a lot of times these web site operators use to get around the letter of the law. Under my bill, it will no longer be acceptable to sell a false identification document in this fashion.

Finally, my legislation seeks to encourage more aggressive law enforcement by dedicating investigative and prosecutorial resources to this emerging problem. The bill establishes a multiagency task force that will concentrate the investigative and prosecutorial resources of several agencies with responsibility for enforcing laws that criminalize the manufacture, sale, and distribution of counterfeit identification documents.

Our investigation established that Federal law enforcement officials have not devoted the necessary resources and attention to this serious problem. by prosecuting the purveyors of false identification materials, I believe that ultimately we can reduce end-use crime that often depends on the availability of counterfeit identification. For example, the convicted felon who testified at our hearings said that he would not have been able to commit bank fraud had he not been able to easily and quickly obtain high-quality fraudulent identification documents via the Internet. I am confident that if Federal law enforcement officials prosecute the most blatant violation of the law, the false ID industry on the Internet will wither in short order.

By strengthening the law and by focusing our prosecutorial efforts, I believe we can curb the widespread availability of false IDs that the Internet facilitates. The Director of the U.S. Secret Service testified at our hearing that the use of such fraudulent documents and credentials almost always accompanies the serious financial crimes they investigate. Thus, my hope is that the legislation we are introducing today will produce a stronger law that will help deter and prevent criminal activity, not only in the manufacture of false IDs but in other areas as well.

By Mr. THURMOND:

S. 2925. A bill to amend the Public Health Service Act to establish an Office of Men's Health; to the Committee on Health, Education, Labor, and Pensions.

MEN'S HEALTH ACT OF 2000

Mr. THURMOND. Mr. President, I am pleased to rise today to introduce the Men's Health Act of 2000. This legislation will establish an Office of Men's Health within the Department of Health and Human Services to monitor, coordinate, and improve men's health in America.

Mr. President, there is an ongoing, increasing and predominantly silent crisis in the health and well-being of men. Due to a lack of awareness, poor health education, and culturally induced behavior patterns in their work and personal lives, men's health and well-being are deteriorating steadily. Heart disease, stroke, and various cancers continue to be major areas of concern as we look to enhance the quality and duration of men's lives. Improved education and preventive screening are imperative to meet this objective.

Mr. President, as a lifelong advocate of regular medical exams, daily exercise and a balanced diet, I feel strongly that an Office of Men's Health should be established to help improve the overall health of America's male population.

This legislation is identical to a bill introduced earlier this year in the House of Representatives. I invite my colleagues to join me in supporting this measure. I ask unanimous consent that a copy of the bill appear in the CONGRESSIONAL RECORD immediately following my remarks.

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

S. 2925

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 ''Men's Health Act of 2000''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) There is a silent health crisis affecting the health and well-being of America's men.

(2) This health crisis is of particular concern to men, but is also a concern for women, and especially to those who have fathers, husbands, sons, and brothers.

(3) Men's health is likewise a concern for employers who lose productive employees as well as pay the costs of medical care, and is a concern to State government and society which absorb the enormous costs of premature death and disability, including the costs of caring for dependents left behind.

(4) The life expectancy gap between men and women has steadily increased from 1 year in 1920 to 7 years in 1990.

(5) Almost twice as many men than women die from heart disease, and 28.5 percent of all men die as a result of stroke.

(6) In 1995, blood pressure of black males was 356 percent higher than that of white males, and the death rate for stroke was 97 percent higher for black males than for white males.

(7) The incidence of stroke among men is 19 percent higher than for women.

(8) Significantly more men than women are diagnosed with AIDS each year.

(9) Fifty percent more men than women die of cancer.

(10) Although the incidence of depression is higher in women, the rate of life-threatening depression is higher in men, with men representing 80 percent of all suicide cases, and with men 43 times more likely to be admitted to psychiatric hospitals than women.

(11) Prostate cancer is the most frequently diagnosed cancer in the United States among men, accounting for 36 percent of all cancer cases.

(12) An estimated 180,000 men will be newly diagnosed with prostate cancer this year alone, of which 37,000 will die.

(13) Prostate cancer rates increase sharply with age, and more than 75 percent of such cases are diagnosed in men age 65 and older.

(14) The incidence of prostate cancer and the resulting mortality rate in African American men is twice that in white men.

(15) Studies show that men are at least 25 percent less likely than women to visit a doctor, and are significantly less likely to have regular physician check-ups and obtain preventive screening tests for serious diseases.

(16) Appropriate use of tests such as prostate specific antigen (PSA) exams and blood pressure, blood sugar, and cholesterol screens, in conjunction with clinical exams and self-testing, can result in the early detection of many problems and in increased survival rates.

(17) Educating men, their families, and health care providers about the importance of early detection of male health problems can result in reducing rates of mortality for male-specific diseases, as well as improve the health of America's men and its overall economic well-being.

(18) Recent scientific studies have shown that regular medical exams, preventive screenings, regular exercise, and healthy eating habits can help save lives.

(19) Establishing an Office of Men's Health is needed to investigate these findings and take such further actions as may be needed to promote men's health.

SEC. 3. ESTABLISHMENT OF OFFICE MEN'S HEALTH.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end the following section:

''OFFICE OF MEN'S HEALTH

''SEC. 1711. The Secretary shall establish within the Department of Health and Human Services an office to be known as the Office of Men's Health, which shall be headed by a director appointed by the Secretary. The Secretary, acting through the Director of the Office, shall coordinate and promote the status of men's health in the United States.''.

By Mr. BINGAMAN:

S. 2926. A bill a amend title II of the Social Security Act to provide that an individual's entitlement to any benefit thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month) and that such individuals' benefit shall be payable for such month only to the extent proportionate to the number of days in such month preceding the date of such individual's death; to the Committee on Finance.

THE SOCIAL SECURITY FAMILY RELIEF ACT

Mr. BINGAMAN. Mr. President, I rise today to introduce the Social Security Family Relief Act, which is legislation designed to both revise current Social Security law and assist families living in New Mexico and across the United States.

For those of my colleagues who are not familiar with this issue, at present the Social Security Administration pays benefits in advance, and, thus, a check an individual receives from Social Security Administration during the month is calculated and paid in anticipation that the individual will be alive the entire month in which a payment was received.

However, if a person dies during that month, the payment must be reimbursed in full to the Social Security Administration. If a person dies on the 5th of the month, or the 15th of the month, or the 25th of the month, none of this matters. If they die, they are no longer entitled to any benefits for that month, period. Furthermore, if a surviving spouse or family member uses a check received from the Social Security Administration for that month in which a family member had died, they must send it back—in full—to the Social Security Administration.

Let me make this clear that this is not just a problem in the abstract. Indeed, the introduction of this bill is prompted by a very real experience faced by a family living in New Mexico. In this case, a constituent had a close relative pass away on December 31, 1999. The last day of the month. Not knowing it ran contrary to Social Security law, the family used the relative's last Social Security check to pay her final expenses. Only after these activities had occurred did they receive a letter from the Social Security Administration stating that they would have to return the check. Not just partial payment, but in full. No recognition on the part of the Social Security Administration that this person was alive for the entire month. No recognition on the part of the Social Security Administration that this person had expenses that had to be paid for after they had died. No recognition on the part of the Social Security Administration that the surviving relatives had their own bills to pay, and that this additional expense imposed a burden on them that was difficult to manage.

My constituents found this to absurd. Why, they asked, should they have to return a check for a relative that was alive, was accumulating expenses while she was alive, and deserved the money that was provided to her? Why, they asked, should they be required to pay for the relative's expenses when money should be available? Why should their emotional suffering be made all the more distressful by the addition of financial obligations not of their own making?

I think these are good questions, and it is logical that Congress address them directly and in a manner that solves the problem at hand. From what I can see, they are right. Individuals that have worked over the years and have paid into the Social Security Trust Fund all that time, these folks have earned Social Security benefits and should receive them in full for the period that they are alive. As such, Social Security law should be written in such a way that allows the surviving spouse or family member to use the final check to take care of the remaining expenses, whether they be utilities, or mortgages, or car payments, or health care, or whatever needs to be taken care of.

But although my constituents are sometimes critical of the Social Security Administration on this issue, in fairness that agency did not create this problem, Congress did. We wrote the law, and the Social Security Administration merely implements it. Any responsibility for what is happening belongs to us. We need to fix the law so the Social Security Administration can do its job better.

It is my understanding that this issue has been discussed in the past by a number of Senators, but the revisions have gone nowhere because some felt it would impose an administrative burden on the Social Security Administration. I find this argument to be unconvincing as we clearly find a way to calculate complex equations that ultimately benefit that agency. There are those that now argue that tracking down appropriate beneficiaries would be difficult. But I find this to be quite unconvincing as well—after all, we do it already when someone dies. Surely there is a way to make the changes necessary. Surely the technology and expertise already exists. Surely it is time to stop making excuses and do what is right for Americans and their families.

The legislation I am introducing today is easy to understand. The legislation says, quite simply, that an individual's entitlement to Social Security benefits shall continue through the month of his or her death, and after

that individual's death, the entitlement shall be calculated in a manner proportionate to the days he or she was still alive. In other words, we are using a method of pro-rating to calculate what portion of the entitlement that individual will receive for the last month. Then, instead of being asked to return that final check, the surviving spouse or appropriate surviving family members will receive a check, which can then be used to settle the decedent's remaining expenses. I think this is a perfectly fair and reasonable approach to solving the problem at hand. And I think it is long overdue.

It is my understanding that another bill addressing this problem has been introduced in the Senate by my colleague Senator MIKULSKI. Furthermore, she has introduced this legislation for several years in a row. I commend her for her awareness of this problem and her ongoing efforts to fix it.

That said, it is also my understanding that her bill as written calculates these entitlement benefits on a half-month basis. In other words, if you die before the 15th, you get benefits for a half a month. If you die after the 15th, you are entitled to benefits for the entire month. To be honest, I see no obvious rationale for addressing the problem in this way, and I find a prorate strategy to be far more compelling. But this said, I look forward to working with her and her co-sponsors to repair the problem. We clearly have the same concerns.

Mr. President, let me state in conclusion that this legislation represents only a partial fix of the current Social Security system. There is no doubt in my mind that much more needs to be done. We have talked about the issues far too long, and it is time to make a serious effort to make the Social Security solvent and effective. If had my way, this effort would begin tomorrow. But since it is not, this legislation can be considered one small but very important step on the path to reform.

Mr. President, I ask unanimous consent that a copy of the legislation be included in the RECORD at the conclusion of my statement.

Thank you, Mr. President, and I yield the floor.

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

S. 2926

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 ''Social Security Family Relief Act''.

SEC. 2. CONTINUATION OF BENEFITS THROUGH MONTH OF BENEFICIARY'S DEATH.

(a) OLD-AGE INSURANCE BENEFITS.—Section 202(a) of the Social Security Act (42 U.S.C. 402(a)) is amended by striking ''the month preceding'' in the matter following subparagraph (B).

(b) WIFE'S INSURANCE BENEFITS.—

(1) IN GENERAL.—Section 202(b)(1) of such Act (42 U.S.C. 402(b)(1)) is amended—

(A) by striking ''and ending with the month'' in the matter immediately following clause (ii) and inserting ''and ending with the month in which she dies or (if earlier) with the month'';

(B) by striking subparagraph (E); and

(C) by redesignating subparagraphs (F) through (K) as subparagraphs (E) through (J).

(2) CONFORMING AMENDMENTS.—Section 202(b)(5)(B) of such Act (42 U.S.C. 402(b)(5)(B)) is amended by striking ''(E), (F), (H), or (J)'' and inserting ''(E), (G), or (I)''.

(c) HUSBAND'S INSURANCE BENEFITS.—

(1) IN GENERAL.—Section 202(c)(1) of such Act (42 U.S.C. 402(c)(1)) is amended—

(A) by striking ''and ending with the month'' in the matter immediately following clause (ii) and inserting ''and ending with the month in which he dies or (if earlier) with the month'';

(B) by striking subparagraph (E); and

(C) by redesignating subparagraphs (F) through (K) as subparagraphs (E) through (J), respectively.

(2) CONFORMING AMENDMENTS.—Section 202(c)(5)(B) of such Act (42 U.S.C. 402(c)(5)(B)) is amended by striking ''(E), (F), (H), or (J)'' and inserting ''(E), (G), or (I)'', respectively.

(d) CHILD'S INSURANCE BENEFITS.—Section 202(d)(1) of such Act (42 U.S.C. 402(d)(1)) is amended—

(1) by striking ''and ending with the month'' in the matter immediately preceding subparagraph (D) and inserting ''and ending with the month in which such child dies or (if earlier) with the month''; and

(2) by striking ''dies, or'' in subparagraph (D).

(e) WIDOW'S INSURANCE BENEFITS.—Section 202(e)(1) of such Act (42 U.S.C. 402(e)(1)) is amended by striking ''ending with the month preceding the first month in which any of the following occurs: she remarries, dies,'' in the matter following subparagraph (F) and inserting ''ending with the month in which she dies or (if earlier) with the month preceding the first month in which she remarries or''.

(f) WIDOWER'S INSURANCE BENEFITS.—Section 202(f)(1) of such Act (42 U.S.C. 402(f)(1)) is amended by striking ''ending with the month preceding the first month in which any of the following occurs: he remarries, dies,'' in the matter following subparagraph (F) and inserting ''ending with the month in which he dies or (if earlier) with the month preceding the first month in which he remarries''.

(g) MOTHER'S AND FATHER'S INSURANCE BENEFITS.—Section 202(g)(1) of such Act (42 U.S.C. 402(g)(1)) is amended—

(1) by inserting ''with the month in which he or she dies or (if earlier)'' after ''and ending'' in the matter following subparagraph (F); and

(2) by striking ''he or she remarries, or he or she dies'' and inserting ''or he or she remarries''.

(h) PARENT'S INSURANCE BENEFITS.—Section 202(h)(1) of such Act (42 U.S.C. 402(h)(1)) is amended by striking ''ending with the month preceding the first month in which any of the following occurs: such parent dies, marries,'' in the matter following subparagraph (E) and inserting ''ending with the month in which such parent dies or (if earlier) with the month preceding the first month in which such parent marries, or such parent''.

(i) DISABILITY INSURANCE BENEFITS.—Section 223(a)(1) of such Act (42 U.S.C. 423(a)(1)) is amended by striking ''ending with the month preceding whichever of the following months is the earliest: the month in which he dies,'' in the matter following subparagraph (D) and inserting the following: ''ending with the month in which he dies or (if earlier) with the month preceding the earlier of'' and by striking the comma after ''216(l))''.

(j) BENEFITS AT AGE 72 FOR CERTAIN UNINSURED INDIVIDUALS.—Section 228(a) of such Act (42 U.S.C. 428(a)) is amended by striking ''the month preceding'' in the matter following paragraph (4).

SEC. 3. COMPUTATION AND PAYMENT OF LAST MONTHLY PAYMENT.

(a) OLD-AGE AND SURVIVORS INSURANCE BENEFITS.—Section 202 of the Social Security Act (42 U.S.C. 402) is amended by adding at the end the following new subsection:

''Last Payment of Monthly Insurance Benefit Terminated by Death

''(y) The amount of any individual's monthly insurance benefit under this section paid for the month in which the individual dies shall be an amount equal to—

''(1) the amount of such benefit (as determined without regard to this subsection), multiplied by

''(2) a fraction—

''(A) the numerator of which is the number of days in such month preceding the date of such individual's death, and

''(B) the denominator of which is the number of days in such month,

rounded, if not a multiple of $1, to the next lower multiple of $1. This subsection shall apply with respect to such benefit after all other adjustments with respect to such benefit provided by this title have been made. Payment of such benefit for such month shall be made as provided in section 204(d).''.

(b) DISABILITY INSURANCE BENEFITS.—Section 223 of such Act (42 U.S.C. 423) is amended by adding at the end the following new subsection:

''Last Payment of Benefit Terminated by Death

''(j) The amount of any individual's monthly benefit under this section paid for the month in which the individual dies shall be an amount equal to—

''(1) the amount of such benefit (as determined without regard to this subsection), multiplied by

''(2) a fraction—

''(A) the numerator of which is the number of days in such month preceding the date of such individual's death, and

''(B) the denominator of which is the number of days in such month,

rounded, if not a multiple of $1, to the next lower multiple of $1. This subsection shall apply with respect to such benefit after all other adjustments with respect to such benefit provided by this title have been made. Payment of such benefit for such month shall be made as provided in section 204(d).''.

(c) BENEFITS AT AGE 72 FOR CERTAIN UNINSURED INDIVIDUALS.—Section 228 of such Act (42 U.S.C. 428) is amended by adding at the end the following new subsection:

''Last Payment of Benefit Terminated by Death

''(i) The amount of any individual's monthly benefit under this section paid for the month in which the individual dies shall be an amount equal to—

''(1) the amount of such benefit (as determined without regard to this subsection), multiplied by

''(2) a fraction—

''(A) the numerator of which is the number of days in such month preceding the date of such individual's death, and

''(B) the denominator of which is the number of days in such month,

rounded, if not a multiple of $1, to the next lower multiple of $1. This subsection shall apply with respect to such benefit after all other adjustments with respect to such benefit provided by this title have been made.

Payment of such benefit for such month shall be made as provided in section 204(d).''.

SEC. 4. DISREGARD OF BENEFIT FOR MONTH OF DEATH UNDER FAMILY MAXIMUM PROVISIONS.

Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

''(10) Notwithstanding any other provision of this Act, in applying the preceding provisions of this subsection (and determining maximum family benefits under column V of the table in or deemed to be in section 215(a) as in effect in December 1978) with respect to the month in which the insured individual's death occurs, the benefit payable to such individual for that month shall be disregarded.''.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to deaths occurring after the month in which this Act is enacted.

By Mr. FEINGOLD:

S. 2927. A bill to ensure that the incarceration of inmates is not provided by private contractors or vendors and that persons charged or convicted of an offense against the United States shall be housed in facilities managed and maintained by Federal, State, or local governments; to the Committee on the Judiciary.

THE PUBLIC SAFETY ACT

Mr. FEINGOLD. Mr. President, sending inmates to prisons built and run by prviate companies has become a popular way to deal with overcrowded prisons, but in recent years this practice has been appropriately criticized. As reports of escapes, riots, prisoner violence, and abuse by staff in private prisons increase, many have questioned the wisdom and propriety of private companies carrying out this essential state function. After considering safety, cost, and accountability issues, it is clear that private companies should not be doing this public work. Government and only government, whether it's federal, state, or local, should operate prisons. That is why I rise today to introduce a bill that will restore responsibility for housing prisoners to the state and federal government, where it belongs. An identical bill was introduced in the House of Representatives by Congressman TED STRICKLAND, where it has received broad bi-partisan support and currently has 141 cosponsors.

Private prison companies, and proponents of their use, claim that they save taxpayers money. They claim private companies can do the government's business more efficiently, but this has never been confirmed. In fact, two government studies show that it is far from clear whether private prisons save taxpayer money. One study, completed by the GAO, stated that it could not conclude whether or not privatization saved money. The second study, completed by the Federal Bureau of Prisons in 1998, concluded that there is no strong evidence to show states save money by using private prisons.

More importantly, private prison companies are motivated by one goal: making a profit. Decisions by these companies are driven by the desire to make a profit and, in turn, please officers and shareholders. This profit motive in the context of housing criminals is wrong. It is at cross-purposes with the government's goal of punishing and rehabilitating criminals.

So what happens when a private company runs a prison? The prisons have promised to save taxpayers money, so they cut costs. This invariably results in unqualified, low paid employees, poor facilities and living conditions, and an inadequate number of educational and rehabilitative programs. Recent episodes of escape, violence, and prisoner abuse demonstrate what happens when corners are cut.

At the Northeast Ohio Correctional facility, a private prison in Youngstown, Ohio, 20 inmates were stabbed, two of them fatally, within a 10-month period. After management claimed they had addressed the problems, six inmates, four convicted of homicide, escaped by cutting through two razor wire fences in the middle of the afternoon.

At a private prison in Whiteville, Tennessee, which houses many inmates from my home state of Wisconsin, there has been a hostage situation, an assault of a guard, and a coverup to hide physical abuse of inmates by prison guards. A security report at the same Tennessee prison found unsecured razors, inmates obstructing views into their cells by covering up windows, and an inmate using a computer lab strictly labeled, ''staff only'' without any supervision.

At a private prison in Sayre, Oklahoma, a dangerous inmate uprising jeopardized the security and control of the facility. As a result, the state of Oklahoma removed all its inmates from the facility and questioned its safety. Because the prison gets paid based on the number of inmates, however, the prison continued to request, and other states sent, hundreds of inmates to be housed there.

Earlier this year the Justice Department filed a lawsuit against the Wackenhut Corrections Corporation, the second largest private prison company in the United States, charging that in one of its juvenile prisons, conditions were ''dangerous and life threatening.'' A group of experts who toured the prison reported that many of the juveniles were short of food, had lost weight, and did not have shoes or blankets. The Department of Justice lawsuit also alleges that inmates did not receive adequate mental health care or educational programming. In addition to the poor conditions and lack of training, the guards physically abused the boys and threw gas grenades into their barracks. Some juvenile inmates even tried to commit suicide or deliberately injure themselves so they would be sent to the infirmary to avoid abuse by the guards.

Mr. President, the profit motive clearly has a dangerous and harmful effect on the security of private prisons, but the profit motive also shortchanges inmates of the rehabilitation, education, and training that they need. Private prisons get paid based on the number of inmates they house. This means the more inmates they accept and the fewer services they provide, the more money they make. A high crime rate means more business and eliminates any motivation to provide job training, education, and other rehabilitative programs. These allegations of abuse and the negative effects of the profit motive are especially troubling because they have a disparate impact on the minority community, which has been incarcerated disproportionately in recent years particularly with the rise of mandatory minimum sentences for drug offenses.

Another issue of concern is accountability for dispensing one of the strongest punishments our society can impose. Incarceration requires a government to exercise its coercive police powers over individuals, including the authority to take away a person's freedom and to use force. This authority to use force should not be delegated to a private company that is not accountable to the people. This premise was reinforced by the Supreme Court in Richardson v. McKnight, which held that private prison personnel are not covered by the qualified immunity that shields state and local correctional officers. This means that a state or local government could be held liable for the actions of a private corporation.

Mr. President, the legislation I introduce today, the Public Safety Act, addresses these concerns. It restores control and management of prisons to the government. It makes federal grants under Title II of the Crime Control Act of 1994 contingent upon states agreeing not to contract with any private companies to provide core correctional services related to transportation or incarceration of inmates. The legislation was carefully crafted to apply only to core correctional services meaning that private companies can still provide auxiliary services such as food or clothing.

Mr. President, let us restore safety and security to the many Americans who work in prisons. Let us protect the communities that support prisons. And let us ensure rehabilitation and safety for the individuals, including young boys and girls, who are housed there. This bill returns to the government the function of being the sole administrator of incarceration as punishment in our society. I urge my colleagues to join me as cosponsors of the Public Safety Act.

I ask that the text of the bill be placed in the RECORD following this statement.

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

S. 2927

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 ''Public Safety Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The issues of safety, liability, accountability, and cost are the paramount issues in running corrections facilities.

(2) In recent years, the privatization of facilities for persons previously incarcerated by governmental entities has resulted in frequent escapes by violent criminals, riots resulting in extensive damage, prisoner violence, and incidents of prisoner abuse by staff.

(3) In some instances, the courts have prohibited the transfer of additional convicts to private prisons because of the danger to prisoners and the community.

(4) Frequent escapes and riots at private facilities result in expensive law enforcement costs for State and local governments.

(5) The need to make profits creates incentives for private contractors to underfund mechanisms that provide for the security of the facility and the safety of the inmates, corrections staff, and neighboring community.

(6) The 1997 Supreme Court ruling in Richardson v. McKnight that the qualified immunity that shields State and local correctional officers does not apply to private prison personnel, and therefore exposes State and local governments to liability for the actions of private corporations.

(7) Additional liability issues arise when inmates are transferred outside the jurisdiction of the contracting State.

(8) Studies on private correctional facilities have been unable to demonstrate any significant cost savings in the privatization of corrections facilities.

(9) The imposition of punishment on errant citizens through incarceration requires State and local governments to exercise their coercive police powers over individuals. These powers, including the authority to use force over a private citizen, should not be delegated to another private party.

SEC. 3. ELIGIBILITY FOR GRANTS.

(a) IN GENERAL.—To be eligible to receive a grant under subtitle A of title II of the Violent Crime Control and Law Enforcement Act of 1994, an applicant shall provide assurances to the Attorney General that if selected to receive funds under such subtitle the applicant shall not contract with a private contractor or vendor to provide core correctional services related to the transportation or the incarceration of an inmate.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to grant funds received after the date of enactment of this Act.

(c) EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), subsection (a) shall not apply to a contract in effect on the date of the enactment of this Act between a grantee and a private contractor or vendor to provide core correctional services related to correctional facilities or the incarceration of inmates.

(2) RENEWALS AND EXTENSIONS.—Subsection (a) shall apply to renewals or extensions of an existing contract entered into after the date of the enactment of this Act.

(d) DEFINITION.—For purposes of this section, the term ''core correctional service'' means the safeguarding, protecting, and disciplining of persons charged or convicted of an offense.

SEC. 4. ENHANCING PUBLIC SAFETY AND SECURITY IN THE DUTIES OF THE BUREAU OF PRISONS.

Section 4042(a) of title 18, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (7);

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

(3) by inserting after paragraph (4) the following:

''(5) provide that any penal or correctional facility or institution except for nonprofit community correctional confinement, such as halfway houses, confining any person convicted of offenses against the United States, shall be under the direction of the Director of the Bureau of Prisons and shall be managed and maintained by employees of Federal, State, or local governments;

''(6) provide that the transportation, housing, safeguarding, protection, and disciplining of any person charged with or convicted of any offense against the United States, except such persons in community correctional confinement such as halfway houses, will be conducted and carried out by individuals who are employees of Federal, State, or local governments; and''.

By Mr. MCCAIN (for himself, Mr. KERRY, Mr. ABRAHAM, and Mrs. BOXER):

S. 2928. A bill to protect the privacy of consumers who use the Internet; to the Committee on Commerce, Science, and Transportation.

THE CONSUMER INTERNET PRIVACY ENHANCEMENT ACT

Mr. MCCAIN. Mr. President, I am pleased to join my colleagues from Massachusetts, Michigan, and California to introduce the Consumer Internet Privacy Enhancement Act. The purpose of this legislation is simple. We want to ensure that commercial websites inform consumers about how their personal information is treated, and give consumers meaningful choices about the use of that information. While the purpose of this legislation is simple, the task my colleagues and I are seeking to accomplish is complex and difficult.

The Internet is a tremendous medium spurring the world's economy and allowing people to communicate in ways that were unimaginable a few short years ago. The Internet revolution is transforming our lives and our economy at an incredible pace. Like any other technological revolution it promises great opportunities and, it presents new concerns and fears.

Chief among those concerns is the ability of the Internet to further erode individual privacy. Since the beginning of commerce, business has sought to learn more about consumers. The ability of the internet to aid business in the collection, storage, transfer, and analysis of information about a consumer's habits is unprecedented. While this technology can allow business to better target goods and services, it also has increased consumer fears about the collection and use of personally identifiable information.

Since 1998, the Federal Trade Commission has examined this issue in a series of reports to Congress. The FTC and privacy organizations formed by industry identified ''four fair information practices'' which should be utilized by websites that collect personally identifiable information. In simple terms, these practices are notice of what information is collected and how it is used; choice as to how that information is used; access by the user to information collected about them; and appropriate measures to ensure the security of the information.

Over the last three years industry has worked diligently to develop and implement privacy policies utilizing the four fair information practices. While industry has made progress in providing consumers with some form of notice of their information practices, there is much work to be done to improve the depth and clarity of privacy policies.

The legislation we introduce today should not be viewed as a failure on the part of industry to address privacy. Instead industry's efforts over the past few years have driven the development of standards which serve as the model for this legislation. Our objective is to provide for enforceable standards to ensure that all websites provide consumers with clear and conspicuous notice and meaningful choices about how their information is used.

Currently, some websites have privacy policies that are confusing and make it difficult for consumers to restrict the use of information. During a recent hearing before the Senate Commerce Committee, the Chairman of the Federal Trade Commission—a former dean of Georgetown Law School—expressed his own difficulties in understanding some privacy policies.

Privacy is harmed not enhanced when consumers are lost in a fog of legalese. Some current privacy policies confuse and contradict rather than provide clear and conspicuous notice of a consumer's rights.

The bill my colleagues and I introduce today attempts to end some of this confusion by providing for enforceable standards that will both protect consumers and allow for the continued growth of e-commerce. Specifically, the bill would require websites to provide clear and conspicuous notice of their information practices. It also requires websites to provide consumers with an easy method to limit the use and disclosure of information.

The provisions of the bill are enforceable by the FTC. States Attorneys General could also bring suits in federal court under the Act using a mechanism similar to the Telemarketing Sales Rule. We also propose a civil penalty of $22,000 per violation with a maximum fine of $500,000. Currently, the FTC can only seek civil penalties if an individual or business is under an order for past behavior.

The legislation also preempts state law to ensure that the law governing the collection of personally identifiable information is uniform. Finally, the bill would direct the National Academy of Sciences to conduct a study of privacy to examine the collection of personal information in the offline-world as well as methods to provide consumers with access to information collected by them.

Despite our best efforts I recognize this bill does not address all of the

issues affecting online privacy. As I said earlier, this is a complex and difficult issue. Other related concerns that should be addressed will continue to arise as we consider this measure. For example, the sale of data during bankruptcy, the use of software also known as spyware that can transfer personal information while online without the user's consent or knowledge, and the government's use and dissemination of personally identifiable information online.

Additionally, other new ways to help resolve the issue of online privacy will also arise as we consider this measure. These include the deployment of technology that will enable consumers to protect their privacy is one issue we should expect to address. Another issue is the use of verifiable assessment procedures to ensure that websites are following their posted privacy policies.

The discovery of new issues and new solutions as we move through this process will serve to highlight the difficulty and complexity of dealing with this issue. It is not my intention to rush to judgment on these matters. Instead, I firmly believe the best way to protect consumers and provide for the continued growth of e-commerce is to give privacy careful and thoughtful deliberation before we act.

Mr. President, it is clear that businesses should inform consumers in a clear and conspicuous manner about how they treat personal information and give consumers meaningful choices as to how that information is used. While some of us may disagree on the manner in which we meet this goal, we all agree that it must be done. I look forward to working with my colleagues and addressing their concerns as we move through the legislative process.

Mr. President, I ask unanimous consent to print the full text of the bill in the RECORD.

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

S. 2928

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 ''Consumer Internet Privacy Enhancement Act''.

SEC. 2. COLLECTION OF PERSONALLY IDENTIFIABLE INFORMATION.

(a) IN GENERAL.—It is unlawful for a commercial website operator to collect personally identifiable information online from a user of that website unless the operator provides—

(1) notice to the user on the website in accordance with the requirements of subsection (b); and

(2) an opportunity to that user to limit the use for marketing purposes, or disclosure to third parties of personally identifiable information collected that is—

(A) not related to provision of the products or services provided by the website; or

(B) not required to be disclosed by law.

(b) NOTICE.—

(1) IN GENERAL.—For purposes of subsection (a), notice consists of a statement that informs a user of a website of the following:

(A) The identity of the operator of the website and of any third party the operator knowingly permits to collect personally identifiable information from users through the website, including the provision of an electronic means of going to a website operated by any such third party.

(B) A list of the types of personally identifiable information that may be collected online by the operator and the categories of information the operator may collect in connection with the user's visit to the website.

(C) A description of how the operator uses such information, including a statement as to whether the information may be sold, distributed, disclosed, or otherwise made available to third parties for marketing purposes.

(D) A description of the categories of potential recipients of any such personally identifiable information.

(E) Whether the user is required to provide personally identifiable information in order to use the website and any other consequences of failure to provide that information.

(F) A general description of what steps the operator takes to protect the security of personally identifiable information collected online by that operator.

(G) A description of the means by which a user may elect not to have the user's personally identifiable information used by the operator for marketing purposes or sold, distributed, disclosed, or otherwise made available to a third party, except for—

(i) information related to the provision of the product or service provided by the website; or

(ii) information required to be disclosed by law.

(H) The address or telephone number at which the user may contact the website operator about its information practices and also an electronic means of contacting the operator.

(2) FORM OF NOTICE.—The notice required by subsection (a) shall be clear, conspicuous, and easily understood.

(3) OPPORTUNITY TO LIMIT DISCLOSURE.—The opportunity provided to users to limit use and disclosure of personally identifiable information shall be easy to use, easily accessible, and shall be available online.

(c) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by a commercial website operator in interstate or foreign commerce in connection with an activity or action described in this Act that is inconsistent with, or more restrictive than, the treatment of that activity or action under this section.

(d) SAFE HARBOR.—A commercial website operator may not be held to have violated any provision of this Act if it complies with self-regulatory guidelines that—

(1) are issued by seal programs or representatives of the marketing or online industries or by any other person; and

(2) are approved by the Commission as containing all the requirements set forth in subsection (b).

SEC. 3. ENFORCEMENT.

(a) IN GENERAL.—The violation of section 2(a) or (b) shall be treated as a violation of a rule defining an unfair or deceptive act or practice in or affecting commerce proscribed by section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57(a)(1)(B)).

(b) ENFORCEMENT BY CERTAIN OTHER AGENCIES.— Compliance with section 2(a) or (b) shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of section 2(a) or (b) is deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under section 2(a) or (b), any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating section 2(a) or (b) in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any entity that violates any provision of that title is subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of that title.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) COMMISSION AUTHORITY.—Nothing contained in this Act shall be construed to limit the authority of the Commission under any other provision of law.

(2) COMMUNICATIONS ACT.—Nothing in section 2(a) or (b) requires an operator of a website to take any action that is inconsistent with the requirements of section 222 or 631 of the Communications Act of 1934 (47 U.S.C. 222 or 551, respectively).

(3) OTHER ACTS.—Nothing in this Act is intended to affect any provision of, or any amendment made by—

(A) the Children's Online Privacy Protection Act of 1998;

(B) the Gramm-Leach-Bliley Act; or

(C) the Health Insurance Portability and Accountability Act of 1996.

(f) CIVIL PENALTY.—In addition to any other penalty applicable to a violation of section 2(a), there is hereby imposed a civil penalty of $22,000 for each such violation. In the event of a continuing violation, each day on which the violation continues shall be considered as a separate violation for purposes of this subsection. The maximum penalty under this subsection for a related series of violations is $500,000. For purposes of this subsection, the violation of an order issued by the Commission under this Act shall not be considered to be a violation of section 2(a) of this Act.

SEC. 4. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates section 2(a) or (b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(C) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this Act shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of section 2(a) or (b) no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that rule.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 5. STUDY OF ONLINE PRIVACY.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Commission shall execute a contract with the National Research Council of the National Academy of Sciences for a study of privacy that will examine causes for concern about privacy in the information age and tools and strategies for responding to those concerns.

(b) SCOPE.—The study required by subsection (a) shall—

(1) survey the risks to, and benefits associated with the use of, personal information associated with information technology, including actual and potential issues related to trends in technology;

(2) examine the costs and benefits involved in the collection and use of personal information;

(3) examine the differences, if any, between the collection and use of personal information by the online industry and the collection and use of personal information by other businesses;

(4) examine the costs, risks, and benefits of providing consumer access to information collected online, and examine approaches to providing such access;

(5) examine the security of personal information collected online;

(6) examine such other matters relating to the collection, use, and protection of personal information online as the Council and the Commission consider appropriate; and

(7) examine efforts being made by industry to provide notice, choice, access, and security.

(c) RECOMMENDATIONS.—Within 12 months after the Commission's request under subsection (a), the Council shall complete the study and submit a report to the Congress, including recommendations for private and public sector actions including self-regulation, laws, regulations, or special agreements.

(d) AGENCY COOPERATION.—The head of each Federal department or agency shall, at the request of the Commission or the Council, cooperate as fully as possible with the Council in its activities in carrying out the study.

(e) FUNDING.—The Commission is authorized to be obligate not more than $1,000,000 to carry out this section from funds appropriated to the Commission.

SEC. 6. DEFINITIONS.

In this Act:

(1) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(2) COMMERCIAL WEBSITE OPERATOR.—The term ''operator of a commercial website''—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any nonprofit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COLLECT.—The term ''collect'' means the gathering of personally identifiable information about a user of an Internet service, online service, or commercial website by or on behalf of the provider or operator of that service or website by any means, direct or indirect, active or passive, including—

(A) an online request for such information by the provider or operator, regardless of how the information is transmitted to the provider or operator;

(B) the use of an online service to gather the information; or

(C) tracking or use of any identifying code linked to a user of such a service or website, including the use of cookies.

(4) INTERNET.—The term ''Internet'' means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(5) PERSONALLY IDENTIFIABLE INFORMATION.—The term ''personally identifiable information'' means individually identifiable information about an individual collected online, including—

(A) a first and last name, whether given at birth or adoption, assumed, or legally changed;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number; or

(F) unique identifying information that an Internet service provider or operator of a commercial website collects and combines with any information described in the preceding subparagraphs of this paragraph.

(6) ONLINE.—The term ''online'' refers to any activity regulated by this Act or by section 2710 of title 18, United States Code, that is effected by active or passive use of an Internet connection, regardless of the medium by or through which that connection is established.

(7) THIRD PARTY.—The term ''third party'', when used in reference to a commercial website operator, means any person other than the operator.

Mr. KERRY. Mr. President, I am pleased to join Senators MCCAIN, BOXER and ABRAHAM in announcing that today we will be introducing a bill that takes a positive, balanced approach to the issue of Internet privacy. There can be no doubt that consumers have a legitimate expectation of privacy on the Internet. Our bill protects that interest. At the same time, consumers want an Internet that is free. For that to happen, the Internet, like television, must be supported by advertising. Our bill will allow companies to continue to advertise, ensuring that we

don't have a subscription-based Internet, which would limit everyone's online activities and contribute to a digital divide.

If we recognize that the economy of the Internet calls for advertising, we must also recognize that it won't attract consumers if they believe their privacy is being violated. Finding this fine balance of permitting enough free flow of information to allow ads to work and protecting consumers' privacy is going to be critical if the Internet is going to reach its full potential. And I believe this bill strikes the right balance.

I think all of the bill's cosponsors were hopeful that self-regulation of Internet privacy would work. And I think self-regulation still has an important role to play. But it seems that now it is up to Congress to establish a floor for Internet privacy. I have no doubt that many innovative high tech companies and advertisers will go beyond the regulations for notice and choice we provide here. A number of companies in my home state of Massachusetts already do, providing consumers with anonymity when they go online. I applaud and encourage those efforts and am certain that if Congress enacts this bill, they will continue.

But technology and innovation won't address all the concerns people have about Internet privacy. Congress has the responsibility to ensure that core privacy principles are the norm throughout the online world. We need to respond to the consumers who don't shop on the Internet because they are concerned about their privacy. This is necessary not only for the sake of the consumers, but for every online business that wants to grow and attract customers.

The bill that we are introducing today will encourage those skeptical consumers to go online. This legislation will require Web sites to clearly and conspicuously disclose their privacy policies. People deserve to know what information may be collected and how it may be used so that they can make an informed decision before they navigate around or shop on a particular Web site. They shouldn't have to click five times and need to translate legalese before they know what a site will do with their personal information. Requiring disclosure has the added benefit of providing the FTC with an enforcement mechanism. If a Web site fails to comply with its posted disclosure policy, the FTC can bring an action against it for unfair or deceptive acts. This is the bare minimum of what I believe consumers deserve and expect, and I don't think this would have any unintended or negative consequences on e-commerce.

In addition, this bill addresses the core principle of choice by requiring Web sites to offer consumers an easy to use method to prevent Web sites from using personally identifiable information for marketing purposes and to prevent them from selling that information to third parties. This bill empowers consumers and lets them make informed decisions that are right for them.

By ensuring consumers have the right to full disclosure and the right to not have their personally identifiable information sold or disclosed, this bill addresses the most fundamental concerns many people have about online privacy. But I believe there are still a number of important questions that we need to answer. The first is whether there is a difference between privacy in the offline and online worlds.

Most of us hardly think about it when we go to the supermarket, but when Safeway or Giant scans my discount card or my credit card, it has a record of exactly who I am and what I bought. Should my preferences at the supermarket be any more or less protected than the choices I make online?

Likewise, catalog companies compile and use offline information to make marketing decisions. These companies rent lists compiled by list brokers. The list brokers obtain marketing data and names from the public domain and governments, credit bureaus, financial institutions, credit card companies, retail establishments, and other cataloguers and mass mailers.

On the other hand, when I go to the shopping mall and look at five different sweaters but don't buy any of them, no one has a record of that. If I do the same thing online, technology can record how long I linger over an item, even if I don't buy it. Likewise, I can pick up any book in a book store and pay in cash and no one will ever know my reading preferences. That type of anonymity can be completely lost online.

This bill requires the National Research Council to study the issue of online versus offline privacy, and make a recommendation if there is a need for additional legislation in either area.

Likewise, this bill requires the Council to study the issue of access. While there is general agreement that consumers should have access to information they provided to a Web site, we still don't know whether it's necessary or proper for consumers to have access to all of the information gathered about an individual. Should consumers have access to click-stream data or so-called derived data by which a company uses compiled information to make a marketing decision about the consumer? And if we decide consumers need some access to this type of information, is it technology feasible? Will there be unforeseen or unintended consequences such as an increased risk of security breaches? Will there be less, rather than more privacy due to the necessary coupling of names and data? I don't we are ready to regulate until we have some consensus on this issue.

Finally, it is important to add that this bill in no way limits what Congress has done or hopefully will do with respect to a person's health or financial information. When sensitive information is collected, it is even more important that stringent privacy protections are in place. I have supported a number of legislative efforts that would go far to protect this type of information.

Mr. ABRAHAM. Mr. President, today I rise to join with the Senator from Arizona, the Senator from Massachusetts, and the Senator from California in introducing the Consumer Privacy Enhancement Act. This legislation will provide Americans with some basic—but critically important—protections for their personal information when they are online.

Privacy has always been a very serious issue to American citizens. It is a concept enshrined in our Bill of Rights. As persons from all walks of life become increasingly reliant on computers and the Internet to perform everyday tasks, it is incumbent upon policymakers to ensure that adequate privacy protections exist for consumers. We must ensure that our laws evolve along with technology and continue to provide effective privacy protection for consumers surfing the World Wide Web and using the Internet for commercial activities.

The American people are letting it be known that they have mounting concerns about their vulnerability in this digital age. They are very concerned about the advent of this new high-tech era we've entered and the new threats it potentially poses to our personal privacy. And I believe there is a consensus building in Congress to begin to tackle the question of ensuring adequate privacy protections for individuals using the Internet.

Whether we can find a similar consensus on a particular legislative proposal remains to be seen. However, I think it is imperative that we begin to address this topic now and not simply wait until Congress reconvenes next year before we take the issue up. So I have joined my colleagues here in introducing legislation that I think accomplishes several important objectives.

The most important provision, I believe, is its most elemental concept: We require that before consumers are asked to provide personal information about themselves, they must be given an opportunity to review the website's privacy policy in order to learn how their information will be utilized. While many websites have privacy policies, including the vast majority of those websites receiving the most traffic, there are still many websites out there that do not offer privacy policies or adequate protections for consumers.

In addition, many of the privacy policies that do exist are very lengthy and often quite confusing to consumers. There are pages and pages of ambiguous legalese and often seemingly contradictory claims about how protected your information truly is. So our bill also calls on the Federal Trade Commission to ensure that privacy policies

are ''clear, conspicuous, and easily understood,'' and that any consent mechanisms shall be ''easy to use, easily accessible, and shall be available online.''

Finally, this legislation recognizes the importance of allowing the Internet industry to continue to promote greater self-regulation and to develop new technology means for to continue to evolve and to help us address legitimate consumer privacy concerns. There have been several initiatives undertaken by industry leaders to get websites to develop and post privacy policies and to give consumers the option of when to provide information and for what uses. This legislation is designed to allow such efforts to continue and to provide for technological advances in the area of privacy to benefit consumers. For instance, Ford and other companies have been participating in the Privacy Leadership Initiative whereby companies engaged online are working to establish industry guidelines and protocols for protecting consumers privacy. Nothing we do here today should inhibit such industry efforts.

So with those critical features addressed, I believe the legislation we introduce today will be an important stepping stone along the path of ensuring that Americans can be confident of having their personal information will be protected when they go online.

I urge my colleagues to review this legislation and to support our efforts to protect consumers against unwarranted intrusions into their personal privacy when they are using their computers and surfing the Internet.

I yield the floor.

By Mrs. FEINSTEIN (for herself, Mr. HOLLINGS, and Mr. INOUYE):

S. 2929. A bill to establish a demonstration project to increase teacher salaries and employee benefits for teachers who enter into contracts with local educational agencies to serve as master teachers; to the Committee on Health, Education, Labor, and Pensions.

MASTER TEACHER LEGISLATION

Mrs. FEINSTEIN. Mr. President, today Senators HOLLINGS, INOUYE, and I are introducing a bill to create a demonstration grant program to help school districts create master teacher positions.

Our bill authorizes $50 million for a five-year demonstration program under which the Secretary of Education would award competitive grants to school districts to create master teacher positions. Federal funds would be equally matched by states and local governments so that $100 million total would be available. Under the bill, 5,000 master teacher positions could be created, or 100 per State, if each master teacher were paid $20,000 on top of the current average teacher's salary.

As defined in this amendment, a master teacher is one who is credentialed; has a least five years of teaching experience; is judged to be an excellent teacher by administrators and teachers who are knowledgeable about the individual's performance; and is currently teaching; and enters into a contract and agrees to serve at least five more years.

The master teacher would help other teachers to improve instruction, strengthen other teachers' skills, mentor lesser experienced teachers, develop curriculum, and provide other professional development.

The intent of this bill is for districts to pay each master teacher up to $20,000 on top of his or her regular salary. Nationally, the average teacher salary is $40,582. In California, it is $44,585. Elementary school principals receive $64,653 on average nationally and $72,385 in California. The thrust of the master teacher concept in this bill is to pay teachers a salary closer to that of an administrator to keep good teachers in teaching.

The bill requires State and/or local districts to match federal funds dollar for dollar. It requires the U.S. Department of Education to give priority to school districts with a high proportion of economically disadvantaged students and to ensure that grants are awarded to a wide range of districts in terms of the size and location of the school district, the ethnic and economic composition of students, and the experience of the districts' teachers.

There are several reasons we need this bill.

NEW TEACHERS NEED SUPPORT

First, new teachers face overwhelming responsibilities and challenges in their first year, but in the real world, they get little guidance. When first-year teachers enter the classroom, there is typically little help available to them, in a year that will have a profound impact on the rest of their professional career. They are ''out there alone,'' virtually isolated in their classroom, thrown into an unfamiliar school and classroom with a room full of new faces. By the current sink-or-swim method, new teachers often find themselves ill equipped to deal with the educational and disciplinary tasks of their first year.

In California, 23 percent of teachers in kindergarten through the third grade are novices. Furthermore, we have 30,000 inexperienced teachers on emergency credentials in California, over ten percent of our teaching workforce.

A new teacher can get experienced guidance from a master teacher who is paired with the new teacher. The master teacher can help plan lessons, improve instructional methods, and deal with discipline problems. ''If you're [a master teacher] teaching a class, then you can say, 'last week I handled a discipline problem this way.' It's much more credible.'' said Carl O'Connell, a New York mentor teacher.

ENHANCING THE TEACHING PROFESSION

Second, master teacher programs can bring more prestige to teaching as a profession, by increasing the teacher's salary, by rewarding experience, and by giving teachers opportunities to supervise others. A master teacher designation is a way to recognize outstanding ability and performance. A master teacher position can give teachers a professional goal, a higher level to pursue. A 1996 report by the National Commission for Teaching and America's Future said that creating new career paths for teachers is one of the best ways to give educators the respect they deserve and to ensure that proven teaching methods spread quickly and broadly.

In one survey of teachers which asked which factors make teachers stay in teaching, 79 percent of teachers said that respect for the teaching profession is needed in order to retain qualified teachers. Eighty percent said that formal mentoring programs for beginning teachers is key (Scholastic/Chief State School Officers' Teacher Voices Survey, 2000). Over 70 percent of teachers said that more planning time with peers is needed to keep teachers in the classroom. This amendment should help.

IMPROVING RETENTION, REDUCING TURNOVER

Because of the higher pay and enhanced prestige, a master teacher program can help to recruit and retain teachers. Mentor systems provide new teachers with a support network, someone to turn to. Studies indicate higher retention rates among new teachers who participate in mentoring programs. According to Yvonne Gold of California State University-Long Beach, 25 percent of beginning teachers do not teach more than two years and nearly 40 percent leave in the first five years. In the Rochester, New York, system, the teacher retention rate was nearly double the national average five years after establishing a mentoring program.

As Jay Matthews wrote in the May 16 Washington Post, programs like this ''can provide a large boost to the profession's image for a relatively small amount of money.'' These programs can keep good teachers in the classroom, instead of losing them to school administration or industry. Larkspur, California, School Superintendent Barbara Wilson says she is ''witnessing a steady exodus to dotcom and other, more lucrative industries.'' (San Francisco Chronicle, March 26, 2000).

Higher salaries and prestige for master teachers could deter the drain from the classrooms.

HOLDING TEACHERS ACCOUNTABLE

Another reason for this amendment is that teacher mentoring programs can make teacher performance more accountable. A master teacher can help novice teachers improve their teaching and get better student achievement. ''Teachers cannot be held accountable for knowledge based, client-oriented decisions if they do not have access to knowledge, as well as opportunities for consultation and evaluation of their work,'' said Adam Urbanski, President of the Rochester, New York, Teachers

Association. He went on: ''Unsatisfactory teacher performance often stems from inadequate and incompetent supervision. Administrators often lack the training and the resources to supervise teachers and improve the performance of those who are in serious trouble.''

Good teachers are key to learning. Lower math test scores have been correlated with the percentage of math teachers on emergency permits and higher math test scores were linked both to the teachers' qualifications and to their years of teaching experience, according to ''Professional Development for Teachers, 2000.''

CALIFORNIA WOULD BENEFIT

This bill could be very helpful in California where one-fifth of our teachers will leave the profession in three years, according to an article in the February 9, 2000, Los Angeles Times.

California will need 300,000 new teachers by 2010. ''More students to teach, smaller classes, teachers leaving or retiring means that California school districts are now having to hire a record 26,000 new teachers each year,'' says the report, ''Teaching and California's Future, 2000.'' California's enrollment is growing at three times the national rate. With these kinds of demands, understaffing often leads to under qualified and new teachers entering the classroom. We have to do all we can to attract and retain good teachers.

EXAMPLES OF MASTER TEACHER PROGRAMS

California has instituted several programs along these lines. California has a program to help beginning teachers. It has grown from $5 million (supporting 1,100 new teachers in 1992) to nearly $72 million (serving 23,000 new teachers in 1999–2000). But even with this increase, the program still does not serve all new teachers,'' according to the report, Teaching and California's Future, 2000.

The Rochester City, New York, school system has a Peer Assistance and Review Program, begun by the schools and the Rochester Teacher Association. The Rochester program is working. ''The evaluation is absolutely spectacular. The program has been a terrific success. It has been deemed a success by mentors, by the panel, by the district, by the union, and, most importantly, by the interns themselves,'' reported the newspaper, New York Teacher.

Delaware provides mentors for beginning teachers. ''Not only are beginning teachers receiving the support they need, but the mentoring program is also developing networks among teachers within districts and across the state, and the mentors have 'a new enthusiasm' for teaching,'' as reported in ''Promising Practices'' in 1998.

Columbus, Ohio, schools instituted a Peer Assessment and Review program similar to Rochester's. It has two components: the intern program for all newly hired teachers and the intervention program for teachers who are having difficulties in the classroom teaching. According to the State Education Agency, ''the district has a lower rate of attrition than similar districts because of PAR.'' (Promising Practices, 1998).

The funds provided in this bill can supplement and expand existing State programs and help other States start new programs.

STUDENTS ARE THE WINNERS

The true beneficiaries of master teacher programs are the students and that is, or course, our fundamental goal. As stated in Rochester's teaching manual, the goal is ''to improve student outcomes by developing and maintaining the highest quality of teaching, providing teachers with career options that do not require them to leave teaching to assume additional responsibilities and leadership roles.''

I believe this bill can begin to provide teachers the real professional support they need, can attract and retain teachers and can bring to the profession the prestige it deserves.

I urge my colleagues to join us in support of this bill.

By Mr. MURKOWSKI:

S. 2931. A bill to make improvements to the Arctic Research and Policy Act of 1984; to the Committee on Government Affairs.

IMPROVEMENTS TO THE ARCTIC RESEARCH AND POLICY ACT OF 1984

Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation to improve the operation of the Arctic Research and Policy Act. We have about 15 years of experience with this Act, and the time has come to make some modifications to reflect the experience we have gained over that time.

The most important feature of this bill is contained in Section 4. This section authorizes the Arctic Research Commission, a Presidential Commission, to make grants for scientific research. Currently, the Commission can make recommendations and set priorities, but it cannot make grants. Our experience with the Act and the Commission has shown us that research needs that do not fit neatly in a single agency do not get funded, even if they are compelling priorities.

One example is a proposed Arctic contamination initiative that was developed a few years ago after we discovered that pollutants from the Former Soviet Union—including radionuclides, heavy metals and persistent organic pollutants—were working their way into the Arctic environment. It became clear that the job of monitoring and evaluating the threat was too big for any single agency. The Interior Department, given its vast land management responsibilities in Alaska, was interested. The Commerce Department, given the jurisdiction over fisheries issues, was interested. The Department of Health and Human Services, given its concern about the health of Alaska's indigenous peoples, was interested. The only agency that didn't seem interested in the problem, strangely enough, was the EPA, which at the time was in the process of dismantling its Arctic Contaminants program.

Unfortunately, because the job was too big for any single agency, it was difficult to get the level of interagency cooperation necessary for a coordinated program. Moreover, agencies were unwilling to make a significant budgetary commitment to a program that wasn't under their exclusive control. If the Arctic Research Commission, which recognized the need, had some funding of its own to leverage agency participation and help to coordinate the effort, we would know far more about the Arctic contaminants problem than we do today.

Another example is the compelling need to understand the Bering Sea ecosystem. Over the past 20 years we have seen significant shifts in some of the populations comprising this ecosystem. King crab populations have declined sharply. Pollock populations have increased sharply. Steller sea lion populations have declined as have many types of sea birds. Scientists cannot tell us whether these population shifts are due to abiotic factors such as climate change, biotic factors such as predator-prey relationships, or some combination of both. Because the nation depends on this area for a significant portion of all its seafood, this is not an issue without stakeholders. Despite the chorus of interests and federal agencies that have said research is needed, a coordinated effort has not yet occurred. If the Arctic Research Commission, which recognized this need early on, had some funding of its own to leverage agency participation and help to coordinate the effort, we would know far more about the Bering Sea ecosystem than we do today.

This bill also makes a number of other minor changes in the Act:

Section 2 allows the Chairperson of the Commission to receive compensation for up to 120 days per year rather than the 90 days per year currently allowed by the Act. The Chairperson has a major role to play in interacting with the Legislative and Executive branches of the government, representing the Commission to non-governmental organizations, in interacting with the State of Alaska, and serving in international fora. In the past, chairpersons have been unable to fully discharge their responsibilities in the 90 day limit specified in the Act.

Section 3 authorizes the Commission to award an annual award not to exceed $1,000 to recognize either outstanding research or outstanding efforts in support of research in the Arctic. The ability to give modest awards will bring recognition to outstanding efforts in Arctic Research which, in turn, will help to stimulate research in the Arctic region. This section also specifies that a current or former Commission member is not eligible to receive the award.

Section 5 authorizes official representative and reception activities. Because the Commission is not authorized to use fund for these kinds of activities, the Commission has experienced embarrassment when they were unable to reciprocate after their foreign counterparts hosted a reception or lunch on their behalf. Under this provision, the Commission may spend not more than two tenths of one percent of its budget for representation and reception activities in each fiscal year.

Mr. President, the Arctic Research and Policy Act and the Arctic Research Commission has worked well over the past 15 years. It can work even better with these modest changes. I look forward to working with my colleagues to enact this bill as soon as possible.

By Mr. NICKLES:

S. 2933. A bill to amend provisions of the Energy Policy Act of 1992 relating to remedial action of uranium and thorium processing sites; to the Committee on Energy and Natural Resources.

TO AMEND PROVISIONS OF THE ENERGY POLICY ACT OF 1992

Mr. NICKLES. Mr. President, I rise today to introduce a bill to amend provisions of the Energy Policy Act of 1992 relating to remedial action of active uranium and thorium processing sites. On October 24, 1992, President Bush signed the National Energy Policy Act of 1992 (EPACT) into law. Title X of EPACT authorized the Department of Energy to reimburse uranium and thorium processing licensees for the portion of the costs incurred in the remediation of mill tailings, groundwater and other by-product material generated as a result of sales to the federal government pursuant to the Atomic Energy Commission's procurement program.

The Title X reimbursement program has worked very well. The licensees have completed much of the surface reclamation at the Title X sites. However, increasingly stringent remediation standards and groundwater decontamination programs have significantly increased the cost and time necessary to complete remediation at many sites. Under current law, in order for a licensee to be eligible to recover the federal share of remediation costs incurred subsequent to December 31, 2002, the licensee must describe and quantify all costs expected to be incurred throughout the remainder of the site's cleanup in a plan for subsequent remedial action. This plan must be submitted to the Department of Energy before December 31, 2001 and approved prior to December 31, 2002.

This bill would amend Title X to extend the date, from 2002 to 2007, through which licensees can submit claims for reimbursement under the procedures now in place and extend the date until December 31, 2007 that licensees must submit their plans for subsequent remedial action to the Department of Energy. This legislation does not seek any increase in the existing authorization. It merely provides the time necessary to prepare the plans on a more informed basis and avoid the unintended hardship which would likely result from the 2002 deadline.

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

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

S. 2933

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

SECTION 1. REMEDIAL ACTION AT ACTIVE URANIUM AND THORIUM PROCESSING SITES.

Section 1001(b) of the Energy Policy Act of 1992 (42 U.S.C. 2296a(b)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (i), by striking ''2002'' and inserting ''2007''; and

(B) in clause (ii), by striking ''placed in escrow not later than December 31, 2002,'' and inserting ''incurred by a licensee after December 31, 2007,''; and

(2) in paragraph (2)(E)(i), by striking ''July 31, 2005'' and inserting ''December 31, 2008''.

By Mr. TORRICELLI:

S. 2934. A bill to provide for the assessment of an increased civil penalty in a case in which a person or entity that is the subject of a civil environmental enforcement action has previously violated an environmental law or in a case in which a violation of an environmental law results in a catastrophic event; to the Committee on Environment and Public Works.

THE ZERO TOLERANCE FOR REPEAT POLLUTERS ACT OF 2000

Mr. TORRICELLI. Mr. President, I rise today to draw attention to the increased number of environmental enforcement actions brought against repeat violators in the United States.

In 1970, many of America's rivers and lakes were dying, our city skylines were disappearing behind a shroud of smog, and toxic waste threatened countless communities. Today, after a generation of environmental safeguards, our rivers and lakes are becoming safe for fishing and swimming again. Millions more Americans enjoy clean air and safe drinking water, and many of our worst toxic dumps have been cleaned. Yet more remains to be done before we can truly say our environment is a healthy environment.

Indeed, in 1997 alone, over 11,000 environmental enforcement actions had to be taken at the State and Federal levels. Sadly, it is also becoming much more common for the defendants in these actions to be repeat violators. For instance, in 1994, a chemical company in New Jersey was fined $6,000 for environmental violations. Just four years later, the same chemical company was again cited for an environmental crime—releasing cresol into the air. Unfortunately, this time 53 children and 5 adults had to be hospitalized and the EPA had to evacuate the local community.

Incidents such as this are becoming all too common. Under current law, the penalties for repeat environmental violators, or parties responsible for environmental catastrophes resulting in serious injury, are too low. Indeed, paltry fines are insufficient deterrents for large corporations or parties that repeatedly commit environmental crimes. Between 1994 and 1998, New Jersey had 774 repeat violators—more than any other State in the nation. This lack of deterrence has serious repercussions for the environment and public health.

To provide a real safeguard against these repeat violators, today I will introduce the ''Zero Tolerance for Repeat Polluters Act of 2000.'' This legislation will create stiffer penalties for repeat violators of environmental safeguards and provides penalties that will more accurately reflect the costs to public health and the environment of catastrophic events. The bill also gives the EPA emergency order and civil action authority to address imminent and substantial endangerments of health and environment and creates a new EPA trust fund into which recovered funds can be used to address other significant threats.

Repeat environmental polluters that negligently endanger the public with their actions or inaction will not be tolerated. No individual or business should be able to endanger the public's health and safety with only the threat of a slap on the wrist hanging over them. The ''Zero Tolerance for Repeat Polluters Act of 2000'' goes a long way towards ensuring that public health and the environment are truly protected for future generations.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Ms. MIKULSKI, Mr. BAYH, Mr. BREAUX, Ms. COLLINS, and Mr. AKAKA):

S. 2935. A bill to amend the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Public Health Service Act to increase Americans' access to long term health care, and for other purposes; to the Committee on Finance.

THE OMNIBUS LONG-TERM CARE ACT OF 2000

Mr. GRAHAM. Mr. President, it is with great pleasure that I rise today to introduce the Omnibus Long-term Care Act of 2000 with my colleagues Senators GRASSLEY, MIKULSKI, BAYH, BREAUX, COLLINS, and AKAKA.

Americans in need of long-term care now face a fragmented and inadequate system of state and federal programs. This is no longer acceptable. Millions are struggling today to meet their long-term care needs, and these numbers will grow dramatically as the country ages. While Medicare reform is important, we will have accomplished little if we address seniors' acute care needs, but then leave them to suffer in poverty when they require long-term care.

I am pleased to introduce bipartisan legislation that demonstrates the Senate's commitment to addressing this issue in a comprehensive way. The Omnibus Long-term Care Act of 2000 will

help millions of seniors and their caregivers who are struggling in our communities, while also encouraging all Americans to better plan for their own retirements.

Many seniors move to Florida with plans of a comfortable retirement, but all too often, these hopes are never realized. A stroke or Alzheimer's Disease strikes and a family is quickly overwhelmed by their long-term care costs and responsibilities. To complicate matters, many spouses of disabled seniors are frail themselves, and so find it increasingly difficult to meet the needs of their loved ones.

Caregiving is also a huge concern for the millions of Americans in the sandwich generation, those who are caring both for their children and their parents, while also balancing work obligations. Almost one-third of all caregivers is juggling employment and caregiver responsibilities, and of this group, two-thirds have conflicts that require them to quit work, cut hours, or turn down promotions.

It is clear that too many Americans are now being forced to sacrifice their health and their careers to care for their loved ones. To help, this bill: provides the disabled or their caregivers with a $3,000 long-term care tax credit; implements the National Family Caregiver Support Program, which will provide caregivers with information and services to help them meet their responsibilities; increases Social Services Block Grant funding for community-based long-term care services; and ensures that seniors can return to their nursing home after hospitalization.

This bill can also avert the long-term care crisis that will result if we do nothing to prepare for the aging of the Baby Boomers. Millions who are struggling to care for their parents today will soon need long-term care themselves. Baby Boomers had a higher divorce rate and fewer children than today's seniors, so they will not have the same support network that today's retirees enjoy.

With more seniors needing more paid help in the future, costs will skyrocket. According to the Congressional Budget Office, individual out-of-pocket costs for long-term care could nearly double from $43 billion today to $82 billion in 2020, and government's costs could increase from $73 billion to $125 billion in the same period. It is clear that future retirees and the government cannot afford business as usual.

We must ask all Americans to take more responsibility for their own long-term care needs. To help bring this about, this bill: offers a tax deduction for the premiums of long-term care insurance policies; provides long-term care insurance to federal employees; authorizes a national public information campaign to educate employers and employees about the benefits of long-term care coverage; mandates a federal survey to determine whether cities and counties are ''elder-ready;'' calls for studies to determine how best to meet Americans' future long-term care needs; and includes a Sense of the Senate affirming the body's commitment to ensuring seniors' physical, emotional, and financial well-being in the new century.

The long-term care crisis we face demonstrates that we have neglected this issue for far too long. But we must act now. The large number of seniors and their caregivers who are suffering in our communities today and the future needs of the Baby Boomers require it. A big problem requires a big solution, and this bill helps protect seniors today and in the future.

All of the cosponsors of this legislation have championed the need to meet seniors' long-term care needs. The fact that we have all come together in a bipartisan manner demonstrates that the Senate is committed to addressing this issue in a meaningful way. I look forward to working with my colleagues and the many organizations that support this bill to make comprehensive long-term care reform a reality.

Ms. MIKULSKI. Mr. President I rise as a proud original cosponsor of the Omnibus Long-Term Care Act of 2000. I am very pleased to join Senators GRAHAM, GRASSLEY, BAYH, COLLINS, BREAUX, and AKAKA to introduce this bipartisan legislation that provides a comprehensive approach to the long-term care of our nation's citizens. I am committed to finding long-term solutions to the long-term care problem in our country.

I like this bill because it meets the day-to-day needs of Marylanders and the long-range needs of our country. At least 5.8 million Americans aged 65 and older currently need long-term care. While this legislation has many important provisions, I would like to highlight three of its features: the National Family Caregiver Support Program, long-term car insurance for federal employees, and the ''return to home'' provision.

First, this bill would establish the National Family Caregiver Support Program. I am proud to have sponsored and cosponsored this legislation previously in this Congress. This program will provide respite care, training, counseling, support services, information and assistance to some of the millions of Americans who care for older individuals and adult children with disabilities. In fact, eighty percent of all long-term care services are provided by family and friends. This program has strong bipartisan support, will get behind our nation's families, and give help to those who practice self-help.

As Ranking Member of the Subcommittee on Aging, I am pleased to report that last week the Health, Education, Labor, and Pensions Committee unanimously approved a bipartisan bill to reauthorize the Older Americans Act (OAA). This bill included the caregiver support program which is strongly supported by the entire aging community. As I work with Senators JEFFORDS, KENNEDY, and DEWINE and our colleagues in the House to pass the OAA reauthorization in September, I want to strongly urge fellow appropriators in the House and Senate to fund these vital caregiver support services as close as possible to the full funding level of $125 million. Millions of Americans are waiting for Congress to act.

Second, I think it is important that this bill includes the Long-Term Care Security Act. This bill would enable federal and military workers, retirees, and their families to purchase long-term care insurance at group rates (projected to be 15–20 percent below the private market). It would create a model that private employers can use to establish their own long-term care insurance programs. As our nation's largest employer, the federal government can be a model for employers around the country whose workforce will be facing the same long-term care needs. Starting with the nation's largest employer also raises awareness and education about long-term care options.

Yesterday, the Senate passed the Long-Term Care Security Act (H.R. 4040). I am proud to be the lead Democratic sponsor of the Senate companion to this bill, S. 2420, because it gives people choices, flexibility, and security. Families will have an additional option available to them as they look at their long-term care choices. This provision would also help reduce reliance on federal programs, like Medicaid, so the American taxpayer benefits.

This legislation also provides people with flexibility because it allows them to receive care in different types of settings. They may choose to be cared for in the home by a family caregiver—or they may need a higher level of care that nursing homes and home health care services provide. Different plan reimbursement options will ensure maximum flexibility that meet the unique health care needs of the beneficiary.

Long-term care insurance also provides families with some security. Family members will not be burdened by trying to figure out how to finance health care needs—and beneficiaries will be able to make informed decisions about their future.

Finally, I am pleased that the bill we have introduced includes bipartisan legislation that I have previously sponsored, the Seniors' Access to Continuing Care Act (S. 1142). This legislation protects seniors' access to treatment in the setting of their choice and ensures that seniors who reside in continuing care communities, and nursing and other facilities have the right to return to that facility after a hospitalization, even if the insurer does not have a contract with the resident's facility.

Across the country seniors in managed care plans have discovered too late that after a hospital stay, they may be forced to return to a facility in the plan's provider network and not to the continuing care retirement community or skilled nursing facility

where they live. No senior should have to face this problem. In Maryland alone, there are over 12,000 residents in 40 continuing care retirement communities and 24,000 residents in over 200 licensed nursing facilities. I have visited many of these facilities and heard from residents and operators about this serious and unexpected problem.

Residents choose and pay for facilities like continuing care retirement communities (CCRC's) for the continuum of care, safety, security, and peace of mind. Hospitalization is traumatic. Friends, family, and familiar staff and faces are crucial to a speedy recovery. Where you return after a hospital stay should be based on humanity and choice, not the managed care company's bottom line.

Specifically, the Seniors' Access to Continuing Care Act protects residents of CCRC's and nursing facilities by: enabling them to return to their facility after a hospitalization; and requiring the resident's insurer or managed care organization (MCO) to cover the cost of the care, even if the insurer does not have a contract with the resident's facility. Certain conditions must be met.

This legislation also requires an insurer or MCO to pay for a service to one of its beneficiaries, without a prior hospital stay, if the service is necessary to prevent a hospitalization of the beneficiary and the service is provided as an additional benefit. Lastly, the bill requires an insurer or MCO to provide coverage to a beneficiary for services provided at a facility in which the beneficiary's spouse already resides, even if the facility is not under contract with the MCO. Certain requirements must be met. These provisions are an important part of our safety net for seniors.

I want to salute the strong leadership of the other cosponsors of this legislation who have authored various provisions of this comprehensive bill that we have joined together to introduce today. I know that all the cosponsors are sincerely committed, as I am, to addressing the challenges facing our aging population. I look forward to working with all of them to enact this important legislation.

Mr. AKAKA. Mr. President, it is with great pleasure that I cosponsor the Omnibus Long-term Care Act of 2000, introduced by Senator GRAHAM. The cosponsors of this legislation are well-known for their commitment to encouraging all Americans to prepare for their own long-term needs.

Many Americans mistakenly believe that Medicare and their regular health insurance programs will pay for long-term care. They do not. Although Medicare provides some long-term care support, an individual generally must ''spend-down'' his or her income and assets to qualify for coverage.

More and more Americans are requiring long-term care. About 6.4 million Americans, aged 65 or older, require some long-term care due to illness or disability. Over five million children and adults under the age of 65 also require long-term care because of health conditions from birth or a chronic illness developed later in life. Only 12 percent receive care in nursing homes or other institutional settings.

The need for long-term care is great. In 20 years, one in six Americans will be age 65 or older. By the year 2040, the number of Americans age 85 years or older will more than triple to over 12 million. The cost of nursing home care now exceeds $40,000 per a year in most parts of the country, and home care visits for nursing or physical therapy runs about $100 per visit. In 1996, over $107 billion was spent on nursing homes and home health care. However, this figure does not take into account that over 80 percent of all long-term care services are provided by family and friends.

In my own state of Hawaii, 13.2 percent of the population is 65 years and older. Although Hawaii enjoys one of the highest life expectancies—79 years, compared to a national average of 75 years—the state's rapidly aging population will greatly impact available resources for long-term care, both institutional and from non-institutional sources. Hawaii's long-term care facilities are operating at full capacity. According to the Hawaii State Department of Health, the average occupancy rate peaked at 97.8 percent in 1994. But occupancy remains high. By 1997, the average occupancy dropped to 90 percent.

These statistics point to the overriding need to help American families provide dignified and appropriate care to their parents and relatives. We know that the demand for long-term care will increase with each passing year, and that federal, state, and local resources cannot cover the expected costs. Nursing home costs are expected to reach $97,000 by the year 2030.

What Congress can do, however, it make long-term care insurance available to a broad segment of the population. As the ranking minority member of the Subcommittee on Federal Services, I co-chaired a hearing on long-term care insurance on May 16, 2000. We heard testimony on S. 2420, legislation to authorize the Office of Personnel Management to contract with one or more insurance carriers for long-term care insurance for federal and military personnel and their families. As a cosponsor of that bill, I am pleased that just last night, the Senate passed our measure after substituting the text of S. 2420 under H.R. 4040, the House long-term care bill for the federal family. The bill, as amended, also includes provisions of S. 1232, the Federal Erroneous Retirement Coverage Corrections Act, which I cosponsored with Senator COCHRAN last year. These provisions will provide relief to the estimated 20,000 federal employees who, through no fault of their own, found themselves in the wrong retirement system. H.R. 4040, as amended, offer a model for the private sector. I am delighted that similar legislation providing long-term care insurance for federal employees and military personnel is included in Senator GRAHAM's bill, and I welcome the opportunity to join with him in helping Americans meet their long-term care needs in a dignified manner.

The bill introduced today provides a comprehensive effort to address our citizens' long-term care needs. Among its provisions are the authorization of a phased-in tax deduction for the premiums of qualified long-term care insurance, implementation of the National Family Caregiver Support Program, restoration of $2.38 billion authorization for the Social Services Block Grant, and creation of a national public information campaign.

Mr. President, I am pleased to be an original sponsor of this bill.

By Mr. ROBB (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BREAUX, Mr. DODD, Mr. DORGAN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. LEAHY, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. REID, Mr. ROCKEFELLER, Mr. SCHUMER, Mr. TORRICELLI, Mr. HARKIN, and Mr. BAYH):

S. 2936. A bill to provide incentives for new markets and community development, and for other purposes; to the Committee on Finance.

CREATING NEW MARKETS AND EMPOWERING AMERICA ACT OF 2000

Mr. ROBB. Mr. President, I rise today to introduce the Creating New Markets and Empowering America Act of 2000, which is designed to strengthen and revitalize low and moderate income communities across America.

Because we made some tough choices to balance our budget, we have the first federal surplus since Lyndon Johnson was President. And now is the time to give some back, particularly to those who have missed out on so much of our economic prosperity. This legislation would pump new capital into our nation's inner cities and isolated rural communities—areas that have had a difficult time building up from within.

The legislation contains three ''New Markets'' initiatives designed to attract and expand new capital into low to moderate income areas. First, a New Markets Tax Credit would infuse $15 billion in investments over the next 7 years through a 30 percent tax credit for businesses who provide capital to lower income communities. Secondly, the bill authorizes the designation of America's Private Investment Companies (APIC's) which would receive federal matching funds for private investments made in lower income areas. This provision would allow $1 billion in federal low-cost loans to match $500 million in private investment. Thirdly, the bill would create a new class of venture capital funds to assist with the operation and administration of ongoing businesses in lower income areas, who have growth potential, so they can continue to expand.

The bill also requires mandatory funding for Round II Empowerment Zones (EZ's) and Enterprise Communities (EC's) and creates a new set of Round III EZ's.

Mr. President, the mandatory funding of Round II Empowerment Zones is critically important to the citizens of Norfolk and Portsmouth, Virginia. The Federal Government made a commitment to these two communities—they need and deserve the funding—and I am determined to get the check in the mail to them. With this legislation, the Norfolk-Portsmouth Empowerment Zone would be guaranteed the remaining $94 million it was promised when it competed for the Empowerment Zone designation.

The legislation I'm introducing today also creates 40 Renewal Communities—which reflect the agreement between President Clinton and Speaker HASTERT—along with a host of tax provisions to expand and revitalize housing.

Very important to my home state of Virginia, this bill contains legislation I introduced earlier this year (S. 2445) to assist communities affected by job loss due to trade. The Assistance in Development for Communities Act (AID for Communities Act) both assists communities in developing a plan to retool their economies and offers financial assistance and tax incentives to help communities implement those plans.

Mr. President, the AID for Communities Act is immensely important to the people of Martinsville, Virginia—who have suffered economic devastation from the recent closing of a Tultex plant. This bill would give the citizens of Martinsville the urgent assistance they need to strengthen their economy and create a more vibrant future for all who live there.

Finally, Mr. President, this legislation includes two new initiatives to help religious and other community organizations better participate in federal grant programs. Specifically, it requires the Substance Abuse and Mental Health Services Administration to provide assistance in a manner similar to HUD's Office of Community and Faith-Based Organizations to assist faith-based and community organizations in applying for federal grant funds to provide substance abuse treatment. It would also require the IRS to provide guidance and make information available to assist religious and community organizations in establishing tax-exempt entities that can be used to operate social services.

Many of these organizations are unfamiliar with the process necessary to set up a tax-exempt organization and are, therefore, unable to participate in federal grant programs. This provision would provide them with the necessary information and assistance.

Mr. President, the ''Creating New Markets and Empowering America Act of 2000'' will spur economic growth in low to moderate income communities across our nation. As such, it will improve the lives of countless Americans. I urge my colleagues to support this important legislation.

Mr. BAUCUS. Mr. President, I rise today to cosponsor the Creating New Markets and Empowering America Act of 2000. We are living in a time of unprecedented prosperity. However this prosperity has not reached every American equally. The boom on Wall Street has not reached Main Street in many regions of our nation. The problem is quite simple. Many of our lower income communities are unable to attract the investment capital that is allowing more affluent areas to flourish. As the United States economy continues to grow it has become more and more apparent that attracting capital to these communities is one of the largest challenges facing the private sector and all levels of government.

It is important to keep in mind that this is not just an urban problem. Many rural communities, especially those that rely on agriculture, are watching their jobs disappear with nothing on the horizon in the form of new business or industry to offer much hope. My home state of Montana is facing this economic turmoil right now. A state that was built on agriculture, mining, and timber has watched these industries diminish to the point that Montana is now 50th in per-capita income relative to other states—dead last.

We often hear the phrase ''digital divide.'' Well, Montana is standing on the edge of an economic divide, but we are not quitters. Montana has much to offer. We have an unparalleled quality of life, a highly-educated work force, a burgeoning high-tech sector, and top-notch schools. In many respects, we are right on the cusp of an economic upswing. However, we are having an extremely difficult time attracting the investment capital that we need to become a partner in the Internet mainstream, create good paying jobs, and truly turn the economic corner.

This past June over the course of two days, I convened a Montana Economic Development Summit that brought together not only our state's leaders and decision makers, but also outside experts in various disciplines in an effort to build a road map for improving Montana's economy. We covered many issues, but primarily focused on high-tech, business development, and marketing and trade. We tackled tough questions such as how we retain and support our current businesses and also attract new businesses that truly fit with Montanans and their values. Three points came up time and again. First, the need for and inability to get the necessary investment capital. We simply do not have the population or resources available that larger states enjoy. Second, our window of opportunity is closing. Time moves faster than it used to and if we don't act quickly the world will move right past us. Third, and most importantly, any action or strategy that we take must come from begin locally. Economic development initiatives must be bottom-up and not top-down or they just will not work.

It is for these three reasons that I am cosponsoring this legislation. The New Markets proposals are a quick and efficient way to leverage the necessary investment in lower-income communities through private/public partnerships. And it will give these communities the tools they need to map their own economic destiny and create the better paying jobs that are so desperately needed.

Two portions illustrate the private/public partnership. On the public side, the Trade Adjustment Assistance provision will enhance the ability of each community to be proactive in crafting a long-term strategy for economic development. This is crucial for communities and regions in rural areas that are natural resource dependent and have suffered severe employment losses in the past decade. For the private sector, the New Markets tax credit will create opportunity by providing a tangible incentive for companies to take a serious look at areas of the country that are currently being ignored.

In closing, this legislation will provide the necessary ingredients for revitalizing America's less fortunate rural areas. It will help target investment to these communities and it will allow them the flexibility to build their economies on their terms and their ability. I commend my colleague from Virginia, Senator ROBB, for introducing such proactive legislation that addresses several of the most urgent issues facing economically troubled areas. Finally, I urge my colleagues to work together and pass this legislation so that states like Montana can begin their long climb back up to economic stability and prosperity.

Mr. KERRY. Mr. President, today I join Senator ROBB and 16 other colleagues to introduce comprehensive legislation aimed at spurring economic development and person empowerment in our inner cities and isolated rural areas. Our economy is booming, and has been for most of the 90s, yet there are still individuals and families who are struggling.

What we've tried to do is develop economic incentives that will encourage business development and remove barriers that make it hard for entrepreneurs, community organizations and individuals to build healthy communities.

Among the many important initiatives in this bill is my new markets legislation that I introduced last September, S. 1594, the Community Development and Venture Capital Act, which passed the Senate Committee on Small Business today, and as part of the Clinton/Hastert package in the House yesterday. It also includes full funding for Round II of Empowerment Zones.

The Community Development and Venture Capital Act has three parts: a

venture capital program to funnel investment money into distressed communities; Senator WELLSTONE's program to expand the number of venture capital firms and professionals who are devoted to investing in such communities; and a mentoring program to link established, successful businesses with small businesses owners in stagnant or deteriorating communities in order to facilitate the learning curve.

The venture capital program is modeled after the Small Business Administration's successful Small Business Investment Company program. As SBA Administrator Alvarez pointed out just last week in a Small Business Committee hearing, the SBIC program has been so successful that it has generated more than $19 billion in investments in more than 13,000 businesses since 1992. And, in the past five years, the SBIC participating securities program has returned $224 million in profits, virtually paying for itself for the past nine years.

As successful as that program is, it does not sufficiently reach areas of our country that need economic development the most. One, out of the total $4.2 billion that SBICs invested last year, only 1.6 percent were deals of less than $1 million dollars in LMI areas. Two, only $1.1 million of that $4.2 billion went to LMI investments in rural areas. Three, in 1999, 85 percent of SBIC deals were $10 million and more.

In broader terms, the economy is booming. Since 1993, almost 21 million jobs have been created. Since 1992, unemployment has shrunk from 7.5 percent to 4 percent. In the past two years, we've paid down the debt $140 billion, and CBO currently projects a surplus of $176 billion. Some estimates even say more than $2 trillion. In spite of these impressive numbers, one out of five children grows up in poverty and there are pockets of America where unemployment is as high as 14 percent.

We can make a difference by investing in a new industry of community development venture capital funds that target investment capital and business expertise into low- and moderate-income areas to develop and expand local businesses that create jobs and alleviate economic distress. The existing 25 or 30 community development venture capital funds have set out to demonstrate that the same model of business development that has driven economic expansion in Silicon Valley and Route 128 Massachusetts can also make a powerful difference in areas like the inner-city areas of Boston's Roxbury or New York's East Harlem, or the rural desolation of Kentucky's Appalachia or Mississippi's Delta region.

Federal Reserve Board Chairman Alan Greenspan says ''Credit alone is not the answer. Businesses must have equity capital before they are considered viable candidates for debt financing.'' He emphasizes that this is particularly important in lower-income communities.

What I'm trying to do as Ranking Member of the Small Business Committee, and have been working with the SBA to achieve, is expand investment in our neediest communities by building on the economic activity created by loans. I think one of the most effective ways to do that is to spur venture capital investment in our neediest communities. I am very glad that Senator ROBB and my other colleagues agreed to include this powerful economic development plan in this legislation.

Switching to another provision in this bill, this legislation builds on the President's and Speaker's agreement by securing full, mandatory funding for Massachusett's Empowerment Zone. As I said earlier, this passed the full House yesterday by a vote of 394 to 27. Full, mandatory funding is important because, so far, the money has dribbled in—only $6.6 million of the $100 million authorized over ten years—and made it impossible for the city to implement a plan for economic self-sufficiency. Some 80 public and private entities, from universities to technology companies to banks to local government, showed incredible community spirit and committed to matching the EZ money, eight to one. Let me say it another way—these groups agreed to match the $100 million in Federal Empowerment Zone money with $800 million. Yet, regrettably, in spite of this incredible alliance, the city of Boston has not been able to tap into that leveraged money and implement the strategic plan because Congress hasn't held up its part of the bargain. I am extremely pleased that we were able to work together and find a way to provide full, steady funding to these zones. That money means education, daycare, transportation and basic health care in areas—in Massachusetts that includes 57,000 residents who live in Roxbury, Dorchester and Mattipan—where almost 50 percent of the children are living in poverty and nearly half the residents over 25 don't even have a high school diploma

Mr. President, I thank my colleagues for their work on this important legislation.

Mr. LEAHY. Mr. President, I rise today to give my support to the Creating New Markets and Empowering America Act of 2000. In a time of unprecedented economic prosperity, there are too many communities in this nation that are beleaguered by crumbling infrastructures and stagnant economies. This legislation will help attract capital, produce much-needed housing, and encourage private investment to communities most in need.

I am proud to join in cosponsoring this legislation and would like to thank Senator ROBB for all his hard work in crafting this bill. Of particular importance to my home state of Vermont are increases in the Low Income Housing Tax Credit and Private Activity Bond cap.

Vermont is currently in the middle of an affordable housing crisis. Production has stalled and demand has risen. In Chittenden County, one of Vermont's most populated areas, residents face a rental vacancy rate of less than one percent. Housing costs are so expensive, middle income families are being forced into hotels, college dorms, homeless shelters, or left out on the street. Sadly, this is a situation that is being repeated nationwide.

As funding for other federal housing assistance programs has diminished, states depend more and more on the LIHTC and private activity bonds to finance affordable housing projects. The LIHTC has been extremely successful since its enactment as part of the Tax Reform Act of 1986. Today, the LIHTC is one of the primary tools that states have to attract private investment in affordable rental housing. In Vermont, the LIHTC has made possible the production, rehabilitation, and preservation of over 2,600 affordable apartments since 1987. Unfortunately this credit has not been increased since its creation nearly fourteen years ago. Today, the demand for tax credits far exceeds their availability. This year in Vermont, over $2.5 million in credits were requested but only $718,000 were available.

I am pleased that this bill raises the annual per capita allocation of tax credits from $1.25 to $1.75 and indexes the credit to inflation. In addition to the increased per capita allocation, I hope to work a small state minimum. Such a floor would help to ensure that small states like Vermont have access to the resources they need to provide affordable housing for every resident in need.

Private activity bonds also play an important role in providing affordable housing for Vermonters. In 1986 the Federal Tax Reform Act limited the amount of tax-exempt bonds that each state could issue to no more than $50 per capita. There has not been an inflation adjustment to the cap since its inception. The Vermont Housing Finance Agency (VHFA) has issued over $1.25 billion in private activity bonds since 1974, bonds which have helped make the dream of home ownership a reality for over 20,425 Vermont households. I am pleased that this bill includes a cap increase from $50 to $75 per capita which will help Vermont's finance agencies continue this success.

Again, I am proud to be a cosponsor of this bill which will offer many households, businesses and communities new opportunities as we enter the 21st century. I urge my colleagues to join me in support of this legislation.

By Mr. DOMENICI (for himself, Mr. WYDEN, Mr. GRASSLEY, and Mr. KERREY):

S. 2937. A bill to amend title XVIII of the Social Security Act to improve access to Medicare+Choice plans through an increase in the annual Medicare+Choice capitation rates and for other purposes; to the Committee on Finance.

THE MEDICARE GEOGRAPHIC FAIR PAYMENT ACT OF 2000

Mr. DOMENICI. Mr. President, I rise today with some very distinguished colleagues from both sides of the aisle—Senator WYDEN, who is here, and Senator GRASSLEY, who is not here—who are cosponsors of this measure, along with Senator BOB KERREY of Nebraska.

Mr. President, let me suggest for Senators' staff who are looking at this to look alphabetically. You will find how much is being reimbursed in your cities for the Medicare+Choice reimbursement. Look at it, and you will see how the HMOs are reimbursed to provide this rather good, fair, and competitive coverage to the senior citizens. You will be astounded. Many people think New York is covered. They are getting a very high rate of reimbursement because they started high. But look at some of the cities in New York. You will find that New York has a number of cities that are under $450. We reimburse them on the high level—as high as $800.

The bill we are introducing today we are going to call the Medicare Geographic Fair Payment Act. Week after week, the Federal Government deducts a portion of everyone's paycheck to support the Medicare program. After our seniors have retired and begin to take advantage of the program they have supported for so many years, I think it is fair that they continue to have a choice.

Right now they have a choice. But the choice is really not for all seniors because we made a decision when we put in the Medicare+Choice Program, which was really an alternative that seniors could choose. We made a decision as to how we would reimburse the provider. That decision was made based upon, as I understand from my good friend, Senator WYDEN—allegedly based on what they needed to get the job done to get the program going.

I don't intend to be critical, but in many instances those who had not been frugal, had not been careful about costs, got high reimbursements. But if you lived in Senator WYDEN's State or New Mexico, where they were being extremely frugal in what they charged for the services, they got a very low rate.

It is unfortunate, but for Staten Island the rates of reimbursement are $814; $794 for Dade County—I am not complaining; I am stating a dollar amount—$702 for New Orleans; and $661 for Los Angeles.

Senator WYDEN, perhaps, could intervene and tell me what it is in Portland.

Mr. WYDEN. $445.

Mr. DOMENICI. $445; Albuquerque is $430, $15 under Oregon. That is all the government will give as reimbursement if you decide to get into the HMO business with hospitals and everybody else joining together, if you are going to furnish this service. Remember, there are some places getting $800-plus.

I am not here to take away anything from anyone. That is how our amendment is different. We are not trying to take the pie, leave it the same size, and say those who are getting more money have to cut back. Rural areas are even lower and are expected to provide the same level of benefits or nearly half the reimbursement.

There were seniors who had a marvelous Medicare+Choice Program. Why was it good? It was good because for a reasonable cost they were getting prescription drugs, which you don't get under Medicare, and the whole package was new benefits. Some of them got dental insurance, which they don't get. Some of them got a number of different things they don't get under Medicare, for a premium they could afford.

These programs are being closed down every day we delay. Thousands of seniors are getting notices. They had a good program, but they won't have it in January. I want everybody to know if there are going to be any entitlement bills getting out of here on anything that is even close to Medicare, this is an amendment that will be on there—or something better. This amendment says by January 1st of this year, the rates are raised. They are these low rates we are talking about. Very simply, under this bill, we will change the rates.

It is pretty easy for everybody to understand. This is not a complicated bill. What we are doing is saying for those metropolitan areas which are 250,000 or more, the minimum reimbursement will be $525. If we can't get that through here to preserve some of these plans where seniors are just falling off the log, desperately getting their notices, and raising it to $525, then I don't know what is fair around here anymore. For all the rural counties, we have raised the minimum to $475.

My friend, Senator WYDEN, can talk about his State and about his observations. Clearly, he has been asking everybody around here, including the Budget Committee, to have hearings on this great disparity which he calls penalizing efficiency.

The truth of the matter is in my home city and in my State of New Mexico, what is happening, the HMO companies can no longer stay in business. Seniors are getting notified. In fact, we don't have a lot of people under this program—15,000 are going to get knocked off the program right now, very soon. If you think they are not going to meetings, they met with Heather Wilson, one of our representatives, and 400 people showed up because they read in the newspaper she was holding a meeting and they already got their notices: Come January, find a new plan. They are asking: Why? The plan is good. It is very good for me. I have been paying all my life. Why are you taking this away?

I ask Senators to take a look. In my case, we will get $34 million in additional reimbursements during the first year and $170 out of this bill. Incidentally, this bill will cost $700 million the first year. I say to the thousands of seniors who may be able to keep their insurance and be under this kind of program, that is a pretty good bargain. Over 5 years, it will cost $3.7 billion.

It also includes a third provision which I ask Senators to look at. It is the product of some very wise thinking by Senator Grassley. It should have been separately called the GRASSLEY bill, but it is packaged in this as our third title. It says essentially hospitals will hereinafter be reimbursed on labor costs—on what the actual cost is, not on what the stated cost is. That makes the payment to hospitals go up substantially. My small State will go up about $6.5 million over the year. I don't know what it would be in a State such as Ohio, but it would be rather substantial.

I have extensive research, with cities alphabetically listed. Just look for your city and see what the reimbursement rate is. If it is under $525, we will take it to $525. If there are rural counties that are not in these lists, call home and ask what some of the counties are getting reimbursed. Raising it to $475 will help an awful lot of people. Is it enough? I don't know. I want to get something done. My friend wants to get something done, as do my two cosponsors. I assume in a couple of days or a week we will have a lot more Senators, bipartisan, asking to be on this.

I remind everyone, the total cost of doing a bit of fairness to seniors and ending discrimination by region is going to be $700 million in the first year and $3.7 over 5. We have been talking about astronomical numbers for Medicare reform, prescription drugs. I don't know where we will end up. I hope in the heat of this political 6 weeks we don't do anything major, because it will be wrong, but clearly we have to do something.

Come January 1, if we don't put money into this reimbursement program, I think my friend, who has followed this carefully, will say hundreds of thousands of seniors will be denied the option to buy coverage which they think is rather good in many cases, including prescription drugs, for which they only have to pay $50 extra. They can't get that anywhere else. They got extensive coverage of items in their health care needs that are not covered anywhere.

I very much thank the Senators who are cosponsoring, Senators WYDEN, GRASSLEY, and BOB KERREY of Nebraska. We will have more.

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

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

S. 2937

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Geographic Fair Payment Act of 2000''.

SEC. 2. IMPROVED ACCESS TO MEDICARE+CHOICE PLANS THROUGH AN INCREASE IN THE ANNUAL MEDICARE+CHOICE CAPITATION RATES.

Section 1853(c)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is amended—

(1) by striking ''(ii) For a succeeding year'' and inserting ''(ii)(I) Subject to subclause (II), for a succeeding year''; and

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

''(II) For 2001 for any area in any Metropolitan Statistical Area with a population of more than 250,000, $525 (and for any area outside such an area, $475).''.

SEC. 3. REQUIREMENT THAT THE ACTUAL PROPORTION OF A HOSPITAL'S COSTS ATTRIBUTABLE TO WAGES AND WAGE-RELATED COSTS BE WAGE ADJUSTED.

(a) IN GENERAL.—The first sentence of section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended by striking '', (as estimated by the Secretary from time to time) of hospitals' costs'' and inserting ''of each hospital's costs (based on the most recent data available to the Secretary with respect to the hospital)''.

(b) SPECIAL RULE FOR HOSPITALS LOCATED IN PUERTO RICO.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended by adding at the end the following new sentence: ''In the case of a hospital located in Puerto Rico, the first sentence of this subparagraph shall be applied as in effect on the day before the date of enactment of the Geographic Adjustment Fairness Act of 2000.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to discharges occurring on or after January 1, 2001.

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
2	Akron, OH PMSA	OH Summit	$569.96
		OH Portage	517.50
2	Albany-Schenectady-Troy, NY MSA	NY Rensselaer	451.95
		NY Albany	426.70
		NY Saratoga	426.15
		NY Montgomery	415.97
		NY Schenectady	414.50
		NY Schoharie	408.51
2	Albuquerque, NM MSA	NM Bernalillo	430.44
		NM Sandoval	402.64
		NM Valencia	401.61
2	Allentown-Bethlehem-Easton, PA MSA	PA Northampton	550.07
		PA Carbon	530.57
		PA Lehigh	520.68
2	Ann Arbor, MI PMSA	MI Washtenaw	557.62
		MI Livingston	535.35
		MI Lenawee	492.06
2	Appleton-Oshkosh-Neehan, WI MSA	WI Calumet	401.61
		WI Outagamie	401.61
		WI Winnebago	401.61
1	Atlanta, GA MSA	GA Clayton	639.17
		GA Douglas	631.97
		GA Coweta	612.58
		GA Henry	578.76
		GA Newton	572.05
		GA Fulton	569.09
		GA Walton	562.39
		GA Gwinnett	560.30
		GA Forsyth	560.28
		GA Paulding	552.37
		GA Cobb	552.00
		GA Barrow	549.34
		GA De Kalb	549.32
		GA Carroll	538.55
		GA Cherokee	536.79
		GA Pickens	532.62
		GA Fayette	531.71
		GA Rockdale	528.77
		GA Spalding	491.23
		GA Bartow	457.53
2	Atlantic-Cape May, NJ PMSA	NJ Cape May	575.01
		NJ Atlantic	564.89
2	Augusta-Aiken, GA–SC MSA	GA McDuffie	506.13
		GA Columbia	480.21
		GA Richmond	474.28
		SC Aiken	472.78
		SC Edgefield	401.61
2	Austin-San Marcos, TX MSA	TX Travis	457.95
		TX Caldwell	449.43
		TX Bastrop	437.16
		TX Hays	429.58
		TX Williamson	411.43
2	Bakersfield, CA MSA	CA Kern	549.94
1	Baltimore, MD PMSA	MD Baltimore City	671.43
		MD Anne Arundel	596.99
		MD Howard	575.83
		MD Baltimore	573.77
		MD Harford	567.54
		MD Carroll	519.96
		MD Queen Annes	468.85
2	Baton Rouge, LA MSA	LA Ascension	701.89
		LA Livingston	669.57
		LA E. Baton Rouge	574.48
		LA W. Baton Rouge	569.45
2	Beaumont-Port Arthur, TX MSA	TX Jefferson	635.70
		TX Orange	628.21
		TX Hardin	580.77
1	Bergen-Passaic, NJ PMSA	NJ Bergen	559.77
		NJ Passaic	537.18
2	Biloxi-Gulfport-Pascagoula, MS MSA	MS Jackson	630.08
		MS Hancock	612.91
		MS Harrison	596.61
2	Binghamton, NY MSA	NY Broome	415.83
		NY Tioga	403.34
2	Birmingham, AL MSA	AL Shelby	686.53
		AL Blount	575.59
		AL St. Clair	570.54
		AL Jefferson	557.62
2	Boise City, ID MSA	ID Ada	401.61
		ID Canyon	401.61
1	Boston, MA-NH PMSA	MA Suffolk	676.30
		MA Norfolk	628.81
		MA Middlesex	604.17
		MA Plymouth	566.16
		MA Essex	542.07
		NH Rockingham	479.31
2	Bridgeport, CT PMSA	CT Fairfield	546.20
2	Brownsville-Harlingen-San Benito, TX MSA	TX Cameron	439.76
1	Buffalo-Niagara Falls, NY MSA	NY Niagara	458.37

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000—Continued

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
		NY Erie	444.70
2	Canton-Massillon, OH MSA	OH Stark	439.09
		OH Carroll	425.34
2	Charleston, WV MSA	WV Kanawha	485.94
		WV Putnam	459.31
2	Charleston-North Charleston, SC MSA	SC Charleston	480.38
		SC Berkeley	455.71
		SC Dorchester	429.44
1	Charlotte-Gastnia-Rockhill, NC–SC MSA	NC Cabarrus	459.94
		NC Gaston	456.16
		NC Mecklenburg	433.27
		NC Union	433.15
		NC Lincoln	431.34
		SC York	430.89
		NC Rowan	429.39
2	Chattanooga, TN–GA MSA	TN Marion	689.49
		GA Walker	533.01
		TN Hamilton	526.68
		GA Catoosa	503.89
		GA Dade	497.19
1	Chicago, IL PMSA	IL Cook	593.51
		IL Will	523.73
		IL Grundy	519.32
		IL Du Page	509.42
		IL Lake	507.05
		IL Kane	482.60
		IL Mc Henry	466.26
		IL Kendall	444.33
		IL De Kalb	415.25
1	Cincinnati, OH–KY–IN PMSA	OH Hamilton	505.97
		OH Clermont	505.91
		KY Boone	502.28
		KY Kenton	483.13
		KY Campbell	479.25
		OH Brown	473.04
		IN Ohio	471.63
		IN Dearborn	469.59
		KY Grant	469.13
		OH Warren	468.11
		KY Gallatin	457.05
		KY Pendleton	422.65
1	Cleveland-Lorain-Elyria, OH PMSA	OH Cuyahoga	575.59
		OH Lorain	522.63
		OH Medina	511.38
		OH Lake	506.72
		OH Ashtabula	503.62
		OH Geauga	484.81
2	Colorado Spring, CO MSA	CO El Paso	472.16
2	Columbia, SC MSA	SC Lexington	429.22
		SC Richland	406.65
2	Columbus, GA–AL MSA	GA Chattahoochee	486.30
		AL Russell	450.62
		GA Muscogee	430.84
		GA Harris	401.61
1	Columbus, OH MSA	OH Madison	511.41
		OH Franklin	496.33
		OH Fairfield	461.07
		OH Pickaway	453.38
		OH Delaware	450.01
		OH Licking	434.03
2	Corpus Christi, TX MSA	TX Nueces	515.88
		TX San Patricio	501.62
1	Dallas, TX PMSA	TX Denton	557.79
		TX Collin	547.45
		TX Dallas	545.56
		TX Rockwall	511.05
		TX Kaufman	510.50
		TX Henderson	507.26
		TX Ellis	489.89
		TX Hunt	484.39
2	Davenport-Moline-Rock Island, IA–AL MSA	IA Scott	420.23
		IL Rock Island	416.48
		IL Henry	401.72
2	Daytona Beach, FL MSA	FL Volusia	481.63
		FL Flagler	432.48
2	Dayton-Springfield, OH MSA	OH Montgomery	497.25
		OH Clark	487.66
		OH Miami	461.54
		OH Greene	438.27
1	Denver, CO PMSA	CO Denver	534.62
		CO Adams	513.59
		CO Arapahoe	484.26
		CO Jefferson	475.87
		CO Douglas	452.51
2	Des Moines, IA MSA	IA Polk	443.74
		IA Warren	405.72
		IA Dallas	401.61
1	Detroit, MI PMSA	MI Wayne	677.77
		MI Oakland	639.26
		MI Macomb	628.03
		MI Monroe	567.21
		MI Lapeer	541.44
		MI St. Clair	513.96
2	Dutchess County, NY PMSA	NY Dutchess	485.41
2	El Paso, TX MSA	TX El Paso	481.85
2	Erie, PA MSA	PA Erie	461.47
2	Eugene-Springfield, OR MSA	OR Lane	424.21
2	Evansville-Henderson, IN-KY MSA	KY Henderson	487.38
		IN Posey	455.23
		IN Warrick	441.91
		IN Vanderburgh	439.14
2	Fayetteville, NC MSA	NC Cumberland	420.50
2	Flint, MI PMSA	MI Genesee	654.33
1	Fort Lauderdale, FL PMSA	FL Broward	690.17
2	Fort Myers-Cape Coral, FL MSA	FL Lee	516.74
2	Fort Pierce-Port St. Lucie, FL MSA	FL St. Lucie	582.27
		MI FL Martin	536.70
2	Fort Wayne, IN MSA	IN Adams	405.10
		IN Allen	403.97

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000—Continued

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
		IN Whitley	403.29
		IN De Kalb	401.61
		IN Huntington	401.61
		IN Wells	401.61
1	Fort Worth-Arlington, TX PMSA	TX Tarrant	529.17
		TX Johnson	502.06
		TX Hood	492.86
		TX Parker	488.76
2	Fresno, CA MSA	CA Madera	473.12
		CA Fresno	438.04
2	Gary, IN PMSA	IN Lake	564.82
		IN Porter	514.53
2	Grand Rapids-Muskegon-Holland, MI MSA	MI Allegan	445.34
		MI Muskegon	443.96
		MI Kent	423.54
		MI Ottawa	401.61
1	Grnsboro-Winston-Salem-HI PT, NC MSA	NC Davie	461.90
		NC Davidson	436.36
		NC Guilford	434.67
		NC Forsyth	434.28
		NC Stokes	417.35
		NC Yadkin	415.82
		NC Alamance	415.23
		NC Randolph	414.23
2	Greenville-Spartanburg-Anderson, SC MSA	SC Cherokee	466.06
		SC Anderson	409.97
		SC Greenville	405.47
		SC Pickens	401.61
		SC Spartanburg	401.61
2	Hamilton-Middletown, OH PMSA	OH Butler	480.01
2	Harrisburg-Lebanon-Carlisle, PA MSA	PA Dauphin	511.84
		PA Perry	508.55
		PA Cumberland	454.13
		PA Lebanon	420.60
1	Hartford, CT MSA	CT Tolland	541.27
		CT Hartford	525.95
		CT Litchfield	511.80
		CT Windham	505.42
		CT Middlesex	482.64
2	Hickory-Morganton-Lenoir, NC MSA	NC Alexander	451.10
		NC Burke	437.35
		NC Caldwell	429.74
		NC Catawba	408.16
2	Honolulu, HI MSA	HI Honolulu	451.71
1	Houston, TX PMSA	TX Liberty	719.28
		TX Chambers	719.23
		TX Montgomery	706.08
		TX Harris	631.59
		TX Waller	527.01
		TX Fort Bend	521.77
2	Huntington-Ashland, WV-KY-OH MSA	KY Boyd	499.45
		KY Greenup	487.07
		OH Lawrence	483.34
		KY Carter	434.54
		WV Wayne	428.33
		WV Cabell	427.27
2	Huntsville, AL MSA	AL Limestone	464.15
		AL Madison	454.59
1	Indianapolis, IN MSA	IN Marion	506.06
		IN Madison	492.95
		IN Hendricks	487.01
		IN Hamilton	478.86
		IN Shelby	477.17
		IN Morgan	470.63
		IN Hancock	469.54
		IN Boone	462.42
		IN Johnson	442.74
2	Jackson, MS MSA	MS Madison	446.48
		MS Rankin	445.23
		MS Hinds	442.96
2	Jacksonville, FL MSA	FL Duval	558.61
		FL Nassau	534.03
		FL St. Johns	503.27
		FL Clay	494.78
2	Jersey City, NJ PMSA	NJ Hudson	572.80
2	Johnson City-Kingsport-Bristol, TN–VA MSA	TN Unicol	486.65
		TN Hawkins	475.81
		VA Scott	475.48
		TN Washington	460.53
		TN Sullivan	451.21
		VA Bristol City	445.38
		TN Carter	419.53
		VA Washington	401.61
2	Kalamazoo-Battle Creek, MI MSA	MI Calhoun	497.87
		MI Van Buren	468.21
		MI Kalamazoo	457.00
1	Kansas City, MO–KS MSA	KS Wyandotte	539.21
		MO Jackson	535.72
		MO Ray	521.98
		MO Clay	519.84
		KS Johnson	506.41
		KS Leavenworth	503.12
		KS Miami	494.24
		MO Platte	493.90
		MO Lafayette	486.11
		MO Cass	479.90
		MO Clinton	428.27
2	Killeen-Temple, TX MSA	TX Coryell	415.61
		TX Bell	407.33
2	Knoxville, TN MSA	TN Loudon	506.47
		TN Knox	484.18
		TN Anderson	460.95
		TN Union	453.63
		TN Blount	446.59
		TN Sevier	439.09
2	Lafayette, LA MSA	LA Lafayette	512.01
		LA St. Landry	492.02
		LA Acadia	463.22
		LA St. Martin	460.29

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000—Continued

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
2	Lakeland-Winter Haven, FL MSA	FL Polk	437.74
2	Lancaster, PA MSA	PA Lancaster	416.00
2	Lansing-East Lansing, MI MSA	MI Ingham	519.79
		MI Eaton	495.86
		MI Clinton	473.56
2	Las Vegas, NV–AZ MSA	NV Clark	554.90
		AZ Mohave	522.27
		NV Nye	513.76
2	Lexington, KY MSA	KY Madison	459.32
		KY Bourdon	445.13
		KY Scott	417.38
		KY Fayette	413.37
		KY Clark	413.34
		KY Jessamine	407.65
		KY Woodford	401.61
2	Little Rock-N. Little Rock, AR MSA	AR Pulaski	498.44
		AR Saline	488.13
		AR Lonoke	472.87
		AR Faulkner	462.94
1	Los Angeles-Long Beach, CA PMSA	CA Los Angeles	660.65
2	Louisville, KY–IN MSA	KY Bullitt	546.27
		KY Oldham	509.91
		IN Clark	506.02
		KY Jefferson	499.44
		IN Floyd	495.70
		IN Scott	476.68
		IN Harrison	454.42
2	Macon, GA MSA	GA Houston	548.86
		GA Bibb	518.70
		GA Jones	488.31
		GA Peach	470.78
		GA Twiggs	461.55
2	Madison, WI MSA	WI Dane	421.05
2	McAllen-Edinburg-Mission, TX MSA	TX Hidalgo	437.02
2	Melbourne-Titusvlle-Palm Bay, FL MSA	FL Brevard	527.54
1	Memphis, TN–AR–MS MSA	TN Shelby	491.67
		MS De Soto	490.50
		TN Tipton	479.39
		TN Fayette	476.86
		AR Crittenden	472.60
1	Miami, FL PMSA	FL Dade	794.02
1	Middlesex-Somerset-Hunterdon, NJ PMSA	NJ Middlesex	558.12
		NJ Hunterdon	516.24
		NJ Somerset	491.08
1	Milwaukee-Waukesha, WI PMSA	WI Milwaukee	470.57
		WI Waukesha	435.85
		WI Ozaukee	424.93
		WI Washington	411.74
1	Minneapolis-St. Paul, MN-WI MSA	MN Ramsey	470.65
		MN Hennepin	457.66
		MN Anoka	453.31
		MN Chisago	443.66
		MN Dakota	438.75
		MN Washington	427.94
		MN Carver	420.00
		MN Isanti	416.79
		MN Wright	405.57
		MN Scott	401.61
		MN Sherburne	401.61
		WI Pierce	401.61
		WI St. Croix	401.61
2	Mobile, AL MSA	AL Mobile	561.50
		AL Baldwin	485.76
2	Modesto, CA MSA	CA Stanislaus	509.26
2	Monmouth-Ocean, NJ PMSA	NJ Monmouth	542.02
		NJ Ocean	534.05
2	Montgomery, AL MSA	AL Montgomery	483.38
		AL Autauga	481.43
		AL Elmore	480.94
2	Nashville, TN MSA	TN Wilson	630.43
		TN Davidson	547.87
		TN Williamson	538.17
		TN Cheatham	537.65
		TN Sumner	529.86
		TN Robertson	527.44
		TN Rutherford	494.76
		TN Dickson	491.06
1	Nassau-Suffolk, NY PMSA	NY Nassau	622.51
		NY Suffolk	592.30
2	New Haven-Meriden, CT PMSA	CT New Haven	528.19
2	New London-Norwich, CT-RI MSA	CT New London	492.51
1	New Orleans, LA MSA	LA Plaquemines	772.26
		LA St. Bernard	763.90
		LA St. Charles	675.95
		LA Jefferson	674.13
		LA St. Tammany	669.91
		LA St. John Baptist	668.62
		LA Orleans	651.27
		LA St. James	589.96
1	New York, NY PMSA	NY Richmond	814.32
		NY Bronx	772.81
		NY New York	756.77
		NY Kings	748.55
		NY Queens	699.17
		NY Rockland	630.25
		NY Putnam	628.30
		NY Westchester	608.47
1	Newark, NJ PMSA	NJ Essex	578.68
		NJ Warren	568.99
		NJ Union	545.04
		NJ Morris	525.78
		NJ Sussex	511.04
2	Newburgh, NY–PA PMSA	NY Orange	524.02
		PA Pike	500.29
1	Norfolk-Va Beach-Newport News, VA–NC MSA	VA Chesapeake City	484.88
		VA Williamsburg City	479.54
		VA Suffolk City	476.74
		VA Norfolk City	470.52

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000—Continued

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
		VA Portsmouth City	470.52
		VA Virginia Beach City	463.75
		VA Isle Of Wight	461.15
		VA Poquoson	458.58
		NC Currituck	455.80
		VA James City	446.91
		VA Hampton City	443.76
		VA York	430.15
		VA Newport News City	423.90
		VA Gloucester	414.28
		VA Mathews	405.39
1	Oakland, CA PMSA	CA Contra Costa	629.07
		CA Alameda	617.69
2	Oklahoma City, OK MSA	OK Oklahoma	472.85
		OK Cleveland	469.40
		OK Canadian	461.36
		OK Mcclain	453.93
		OK Logan	431.02
		OK Pottawatomie	401.61
2	Omaha, NE–IA MSA	NE Douglas	471.42
		IA Pottawattamie	458.62
		NE Sarpy	428.48
		NE Cass	420.07
		NE Washington	411.08
1	Orange County, CA PMSA	CA Orange	609.63
1	Orlando, FL MSA	FL Osceola	595.95
		FL Orange	553.31
		FL Seminole	536.05
		FL Lake	489.82
2	Pensacola, FL MSA	FL Santa Rosa	503.69
		FL Escambia	502.10
2	Peoria-Pekin, IL MSA	IL Tazewell	421.61
		IL Peoria	414.60
		IL Woodford	401.61
1	Philadelphia, PA-NJ PMSA	PA Philadelphia	747.35
		PA Delaware	626.24
		PA Bucks	610.87
		NJ Camden	593.47
		NJ Gloucester	591.58
		NJ Salem	584.62
		PA Chester	553.66
		NJ Burlington	552.60
		PA Montgomery	548.59
1	Phoenix-Mesa, AZ MSA	AZ Pinal	551.74
		AZ Maricopa	524.36
1	Pittsburgh, PA MSA	PA Allegheny	632.02
		PA Fayette	619.07
		PA Westmoreland	594.10
		PA Washington	590.58
		PA Beaver	544.52
		PA Butler	542.33
1	Portland-Vancouver, OR-WA PMSA	OR Washington	460.95
		OR Columbia	452.07
		OR Multnomah	445.25
		OR Clackamas	438.74
		WA Clark	433.86
		OR Yamhill	425.86
1	Providence-Fall River-Warwck, RI-MA MSA	RI Kent	519.29
		RI Washington	512.79
		MA Bristol	501.50
		RI Providence	498.70
		RI Newport	484.96
		RI Bristol	473.50
2	Provo-Orem, UT MSA	UT Utah	427.96
2	Raleigh-Durham-Chapel Hill, NC MSA	NC Orange	480.56
		NC Johnson	475.66
		NC Wake	464.96
		NC Franklin	452.16
		NC Durham	441.05
		NC Chatham	437.33
2	Reading, PA MSA	PA Berks	452.56
2	Reno, NV MSA	NV Washoe	492.94
2	Richmond-Petersburg, VA MSA	NA New Kent	522.64
		VA Charles City	508.84
		VA Hanover	490.45
		VA Richmond City	488.94
		VA Prince George	483.13
		VA Petersburg City	479.97
		VA Dinwiddie	477.64
		VA Hopewell City	475.67
		VA Powhatan	467.99
		VA Chesterfield	463.81
		VA Henrico	463.29
		VA Colonial Heights City	449.40
		VA Goochland	445.19
1	Riverside-San Bernardino, CA PMSA	CA San Bernardino	565.55
		CA Riverside	553.64
1	Rochester, NY MSA	NY Monroe	449.04
		NY Genesee	435.80
		NY Livingston	429.12
		NY Orleans	417.78
		NY Wayne	415.82
		NY Ontario	405.78
2	Rockford, IL MSA	IL Boone	406.73
		IL Ogle	401.61
		IL Winnebago	401.61
1	Sacramento, CA PMSA	CA Sacramento	545.65
		CA Placer	527.72
		CA El Dorado	515.35
2	Saginaw-Bay City-Midland, MI USA	MI Saginaw	488.38
		MI Bay	488.15
		MI Midland	468.12
2	Salem, OR PMSA	OR Marion	401.61
		OR Polk	401.61
2	Salinas, CA MSA	CA Monterey	542.83
1	Salt Lake City-Ogden, UT MSA	UT Salt Lake	418.00
		UT Davis	415.88
		UT Weber	407.27
1	San Antonio, TX MSA	TX Bear	512.11

TABLE 1.—AVERAGE MEDICARE+CHOICE PAYMENT RATES PER AGED BENEFICIARY, PER MONTH, PER COUNTY IN METROPOLITAN STATISTICAL AREAS AND PRIMARY METROPOLITAN STATISTICAL AREAS, FY 2000—Continued

Population [1]	Metropolitan statistical area	State and county name	2000 payment rate
		TX Wilson	432.60
		TX Guadalupe	417.56
		TX Comal	415.47
1	San Diego, CA MSA	CA San Diego	563.76
1	San Francisco, CA PMSA	CA San Francisco	571.60
		CA Marin	563.18
		CA San Mateo	518.73
1	San Joae, CA PMSA	CA Santa Clara	543.23
2	Santa Rosa, CA PMSA	CA Sonoma	531.59
2	Sarasota-Bradenton, FL MSA	FL Sarasota	500.10
		FL Manatee	476.27
2	Savannah, GA MSA	GA Bryan	607.83
		GA Effingham	551.72
		GA Chatam	534.76
2	Scranton-Wilkes-Barre-Hazleton, PA MSA	PA Lackawanna	529.65
		PA Luzerne	511.96
		PA Wyoming	504.41
		PA Columbia	463.56
1	Seattle-Bellevue-Everett, WA PMSA	WA King	482.58
		WA Snohomish	465.44
		WA Island	429.61
2	Shreveport-Bossier City, LA MSA	LA Webster	498.03
		LA Bossier	489.39
		LA Caddo	485.94
2	Spokane, WA MSA	WA Spokane	467.75
2	Springfield, MA MSA	MA Hampdon	479.61
		MA Franklin	467.86
		MA Hampshire	462.21
2	Springfield, MO MSA	MO Greene	420.15
		MO Christian	414.31
		MO Webster	410.20
1	St. Louis, MO–IL MSA	MO St. Louis City	575.17
		MO Jefferson	527.45
		MO Warren	527.07
		MO Lincoln	524.23
		MO St. Charles	501.12
		MO St. Louis	500.86
		IL St. Clair	500.06
		IL Clinton	499.07
		IL Madison	482.50
		MO Franklin	440.86
		MO Crawford	436.38
		IL Jersey	435.63
		IL Monroe	425.58
2	Santa-Barbara-Santa Maria-Lompoc, CA MSA	CA Santa Barbara	455.77
2	Stockton-Lodi, CA MSA	CA San Joaquin	495.62
2	Syracuse, NY MSA	NY Cayuga	434.08
		NY Oswego	418.50
		NY Onondaga	417.97]
		NY Madison	410.00
2	Tacoma, WA PMSA	WA Pierce	456.83
2	Tampa-St. Petersburg-Clearwater, FL MSA	FL Pasco	572.46
		FL Hernando	542.69
		FL Pinellas	533.00
		FL Hillsborough	521.34
2	Toledo, OH MSA	OH Lucas	605.01
		OH Wood	498.46
		OH Fulton	476.56
2	Trenton, NJ PMSA	NJ Mercer	590.38
2	Tucson, AZ MSA	AZ Pima	499.04
2	Tulsa, OK MSA	OK Wagoner	518.50
		OK Rogers	484.50
		OK Creek	467.80
		OK Tulsa	467.54
		OK Osage	445.45
2	Utica-Rome, NY MSA	NY Oneida	405.03
		NY Herkimer	401.61
2	Vallejo-Fairfield-NAPA, CA PMSA	CA Napa	596.07
		CA Solano	552.60
2	Ventura, CA PMSA	CA Ventura	545.69
2	Visalia-Tulare-Porterville, CA MSA	CA Tulare	452.57
1	Washington, DC–MD–VA–WV PMSA	MD Prince Georges	639.21
		DC The District	619.89
		MD Charles	599.55
		MD Montgomery	535.62
		MD Calvert	517.03
		VA Alexandria City	501.57
		VA Arlington	501.02
		VA Falls Church City	497.85
		VA Manassas Park City	497.04
		VA Prince William	493.46
		VA Stafford	489.44
		VA Fredericksburg City	488.13
		VA Spotsylvania	484.82
		MD Frederick	477.87
		VA Fairfax City	473.73
		VA King George	471.99
		VA Loudoun	468.81
		VA Fauquier	462.06
		VA Fairfax	460.45
		VA Culpeper	450.19
		VA Manassas City	445.63
		VA Warren	442.67
		WV Berkeley	438.86
		WV Jefferson	426.32
		VA Clarke	409.66
2	West Palm Beach-Boca Raton, FL MSA	FL Palm Beach	600.62
2	Wichita, KS MSA	KS Sedgwick	480.50
		KS Butler	427.72
		KS Harvey	403.67
2	Wilmington-Newark, DE–MD PMSA	MD Cecil	548.76
		DE New Castle	547.20
2	Worcester, MA–CT PMSA	MA Worcester	559.24
2	York, PA MSA	PA York	421.90
2	Youngstown-Warren, OH MSA	OH Trumbull	565.28
		OH Mahoning	508.37
		OH Columbiana	478.90

[1] 1=greater than 1 million; 2=250,000 to 1 million.

Source: Table prepared by the Congressional Research Service using data from the Health Care Financing Administration.

Note: A Metropolitan Statististical Area is a city with 50,000 or more enhabitants, or a Census Bureau-defined urban area of at least 50,000 inhabitants, and a total metropolitan population of at least 100,000 (75,000 in New England). This study specifically examines MSAs that contain 250,000 or more enhabitants. If an MSA has a population of over 1 million and the population can be separated into component parts, then the primary component part is desginated the Primary Metropolitan Statistical Area (PMSA). For more information see, [http://www.census.gov/population/www/estimates/aboutmetro.html].

Mr. WYDEN. Mr. President, before he leaves the floor, I thank the chairman of the Budget Committee for the opportunity to be involved in this issue. I think the chairman has said it very well. In effect, what he has done is make the case for why the bill we are proposing is absolutely essential to modernize the Medicare program.

If there is one principle that Medicare is going to have to stand for in the 21st century, it is that we must change this system which now literally rewards waste and penalizes frugality.

Medicare has an HMO reimbursement system today which is, even by beltway standards, perverse. It sends the message if you are really inefficient, if you have not taken the steps that Colorado and Oregon and other States have taken, don't worry about it, don't go out and make the tough choices about introducing competition to your community. The Federal Government will just keep sending you big checks.

I think it is absolutely key, especially given the fact that close to a million seniors are going to lose their HMO coverage this year—close to a million seniors will lose their coverage this year—that we pass this bipartisan legislation. I think the chairman is right. I think by the end of the next couple of days, we will have many other colleagues from both political parties here. I see my friend, Senator SMITH of Oregon, has come into the Chamber. He and I have worked on this issue since he has come to the Senate as part of our bipartisan agenda for Oregon. I am going to talk for a few minutes to try to elaborate on some of the themes Chairman DOMENICI has so eloquently addressed.

As we have seen in Oregon and New Mexico and so many other States, the present HMO reimbursement system is literally driving HMO plans out of the program and leaving seniors across this country petrified about their future health care in their communities. What senior after senior asks at this point is how can it be that since they pay the same amount for hospitalization and outpatient services, if they live in Pendleton or they live in Portland, they pay the same amount for outpatient and hospitalization services as seniors in other parts of the country yet the Federal Government does not send an equal payment to folks in Pendleton and Portland? As Chairman DOMENICI has very specifically and eloquently described, they send dramatically different payments to communities across this country. So you can have communities, for example, on the east coast, that literally get twice the reimbursement of communities in Oregon and New Mexico.

We hear about it very bluntly from our constituents. You can have a senior in Pendleton or Coos Bay call up their cousin in one of the cities back East and ask their cousin about Medicare, how it is going.

The senior back East says: You know, it goes great. I get prescription drugs for only a few dollars a month. I also get dental coverage. I get free hearing aids. How is it going for you there in Coos Bay or Pendleton or Albuquerque, NM? How is Medicare going for you?

That senior in Albuquerque or Pendleton or Portland wants to throw the telephone through the living room window because they don't get that prescription drug coverage, hearing aids, or dental coverage because the reimbursement is as low as Chairman DOMENICI has described.

The Congress was supposed to have begun, several years ago, a bipartisan effort to change this. The system was called a blended rate. In effect, over the next few years, we would move to a national system, so instead of driving some of these high-cost areas down precipitously, we would move low-cost areas up over the next few years. Unfortunately, that system has been delayed. It has been delayed, in my view, in a fashion that has made for many plans saying they can no longer afford to stay in business; certainly no longer afford to offer some of those benefits such as prescription drugs, which are so important to seniors.

That is why Chairman DOMENICI and I and Senator GRASSLEY and Senator KERREY and I know many of our colleagues are going to join in a bipartisan effort, first, to establish a minimum payment floor for urban counties; second, to boost the rural counties where, again, these programs have barely been able to survive as a result of low reimbursement rates; and, third, to address the concerns with respect to wages that Senator GRASSLEY has so eloquently described. But I am of the view that if this Congress is to modernize the Medicare program, the essence of such a modernization effort is to create more options and more choices. That will not be possible if you perpetuate an HMO reimbursement system that day after day after day penalizes frugality and rewards waste.

For those who really want to get into the details of this subject, the system is known as the AAPCC, the average adjusted per capita cost. The way it has worked, the HMOs are reimbursed by the Federal Government through a system that historically has looked at average local costs of various procedures, such as a heart bypass in Pendleton or cataract operation in Portland—and then you calculate a formula for reimbursing these HMOs, using a percentage of the fee-for-service costs for health care in the area.

But at the end of the day, the message is, if you are wasteful, don't worry about it. If you are inefficient, the Federal Government is going to say maybe that is not ideal, but we will just send you a check to reflect the fact that you are not taking steps to hold down your costs and we are not going to give you any consequences as a result.

That makes no sense to Senator DOMENICI and me and our cosponsors. I know it makes no sense to the Presiding Officer because he and I have talked about this innumerable times. We tried to boost reimbursement rates for the people of Oregon. We have to change the Medicare program to eliminate the discrimination against communities that control costs while offering good quality care.

Our bipartisan legislation is not just a one-time infusion of money. We structured it so that money becomes part of a base for future increases, which in my view helps to jump-start what Congress intended several years ago by passing legislation to promote a nationwide blended rate.

We all understand that at present, as we look to the last days of the session, with the budget surplus, it is going to be possible to use a portion of that surplus, after we have helped pay down the debt, after hopefully there is a targeted tax cut; at that point, we will have some dollars to take the steps to better meet the health care needs of older people and also jump start the modernization of the Medicare program.

Our legislation, I hope, will be part of that effort. I think Chairman DOMENICI and Senator GRASSLEY, among our cosponsors, are very likely to be in the room at the end of the day when that legislation is being offered. I and others are going to do our best to support those efforts in the Budget Committee. I know the Presiding Officer and I have used every opportunity to raise these issues, and we are going to continue to do so.

Our State has been a pioneer in the health care reform area. We are proud of the fact that we are the first State in the country to have made tough choices about health care priorities through the Oregon health plan. We are proud of the fact that we have been able to introduce more choices and more competition to the health care system and, as a result, seniors in our State are able to get more for their health care dollar.

It is not right for older people in Oregon, New Mexico, Iowa, and in other States where they have done the heavy lifting and they have taken steps to hold down their costs, to be discriminated against by the Federal Government.

This bipartisan legislation, in my view, is going to help keep HMOs that are currently in the program in the program, and it will begin the process of bringing back to Medicare some of those we have lost because they have been discriminated against in the past with respect to reimbursement and they could not keep their doors open.

We will be talking about this legislation frequently in the last few days of this Congress and in the fall, and I believe passing this legislation, as we look at that final budget bill that is sure to be part of our fall debates, that this is one of the best ways we can target dollars that need to be spent carefully so as to maximize the values of what we are getting in health care for older people.

Mr. President, I yield the floor.

Mr. VOINOVICH. Mr. President, I could not help but hear the words of Senator WYDEN and Senator DOMENICI about the terrible situation we have across this country today in regard to HMOs dropping senior citizens off the Medicare Plus Choice Program.

While I was Governor of the State of Ohio, we had several instances where people were thrown off the rolls of their HMO and forced to be without any kind of supplemental insurance or prescription drug benefits. It is a growing epidemic today in the United States of America. I want to go on record in support of the legislation of Senator WYDEN and Senator DOMENICI. In fact, earlier today I asked Senator DOMENICI if I could be a cosponsor of this legislation.

It is important to point out that some of the on-budget surplus that we now have in the year 2000 and the projected $102 billion in 2001 is generated by the fact that projected Medicare costs are coming in far below what they anticipated because of the formula that was adopted in 1997. It seems to me we ought to look at the situation as it really is, increase the reimbursement to those HMOs so individuals can stay in those programs, and so they don't have to buy Medigap insurance to cover out-of-pocket expenses and prescription drugs.

It seems to me it should be our responsibility to make sure those who are now covered remain covered and not be thrown out on the street. I have read so often: Don't worry about those people, somebody else will pick them up, or they can go to fee for service. When they go to fee for service, they don't get their 20 percent out-of-pocket paid for, nor does Medicare pick up prescription drugs.

It is time for this Congress to step in and change the system, increase the reimbursement, keep those individuals who are on Medicare Plus Choice Programs so they can maintain coverage for out-of-pocket expenses and maintain the prescription drug coverage they have.

Mr. GRASSLEY. Mr. President, I rise to note the introduction of the Medicare Geographic Fair Payment Act of 2000. I'm very pleased to join Senators DOMENICI, WYDEN, and KERREY in this effort. While we share the problem of low payment rates, Iowa and Nebraska are in a different situation than New Mexico and Oregon. Those two states are concerned about Medicare + Choice plans leaving, but for the most part we in Iowa are still waiting for plans to arrive. There are a number of things that have to fall into place for Medicare + Choice to become a reality in Iowa, but one of them is increasing payment rates. I want to make sure that if Congress provides any relief in Medicare + Choice this year, that low-cost areas are not forgotten. We need to make Medicare + Choice a truly national program.

There are two simple Medicare + Choice payment provisions in the bill. It would raise the minimum payment floor for all counties from the current $415 to $475 in 2001. This would primarily benefit rural and small urban areas, including the vast majority of Iowa. Secondly, it would establish a new minimum payment floor of $525 for all counties in Metropolitan Statistical Areas (MSAs) with populations exceeding 250,000. In Iowa, this would mean a substantial incentive for plans to enter the Des Moines and Quad Cities areas.

As I've said so often throughout the five-plus years that I've been working on this issue, people in low-cost states like Iowa pay the same payroll taxes as those in high-cost areas. So it's a matter of simple fairness and equity that all seniors have access to the choices in Medicare, wherever they live. The problem with Medicare + Choice has been that payment rates are based on fee-for-service payment rates in the same county; thus, cost-effective regions like ours are punished. This makes no sense. We took our first step toward breaking that unfortunate link in 1997, and I have high hopes that we will take another big step with this bill in 2000.

We in low-cost regions have to keep the fight for equity going on two fronts: Medicare + Choice payment, and traditional Medicare payment. The latter is harder for Congress to change, because we have to identify inequities in the various Medicare payment policies and fix them one by one. I thank my colleagues for including in this bill my earlier bill on the hospital wage index, which is one of those flaws in fee-for-service Medicare that cries out to be fixed.

I look forward to the Finance Committee's Medicare discussions this fall; this is the kind of legislation that merits serious consideration there.

By Mr. GRASSLEY (for himself, Mr. ROCKEFELLER, Mr. JEFFORDS, and Mrs. LINCOLN):

S. 2939. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances; to the Committee on Finance.

THE RESOURCE EFFICIENT APPLIANCE INCENTIVE ACT

Mr. GRASSLEY. Mr. President I rise today to introduce an extremely timely piece of legislation in light of the current energy crisis facing our nation. This legislation, entitled ''The Resource Efficient Appliance Incentive Act,'' will provide a valuable incentive to accelerate and expand the production and market penetration of ultra energy-efficient appliances. Senator ROCKEFELLER is joining me in this bipartisan effort, along with Senators JEFFORDS and LINCOLN.

Earlier this year, the appliance industry, the Department of Energy, and the nation's leading energy-efficiency and environmental organizations came together and agreed upon significantly higher energy efficiency standards for clothes washers to accompany the new energy efficiency standards for refrigerators that go into effect in July 2001, as well as the new criteria for achieving the voluntary ''Energy Star'' designation. This agreement is significant considering the fact that clothes washers and dryers, together with refrigerators, account for approximately 15 percent of all household energy consumed in the United States.

This legislation will provide a tax credit to assist in the development of super energy-efficient washing machines and refrigerators, and creates the incentives necessary to increase the production and sale of these appliances in the short term. Manufacturers would be eligible to claim a credit of either $50 or $100, depending on efficiency level, for each super energy-efficient washing machine produced between 2001 and 2006. Likewise, manufacturers would be eligible to claim a credit of $50 or $100, depending on efficiency level, for each super energy-efficient refrigerator produced between 2001 and 2006. It is estimated that this tax credit will increase the production and purchase of super energy-efficient washers by almost 200 percent, and the purchase of super energy-efficient refrigerators by over 285 percent.

Equally important is the long-term environmental benefits of the expanded use of these appliances. Over the life of the appliances, over 200 trillion Btus of energy will be saved. This is the equivalent of taking 2.3 million cars off the road or closing 6 coal-fired power plants for a year. In addition, the clothes washers will reduce the amount of water necessary to wash clothes by 870 billion gallons, an amount equal to the needs of every household in the city the size of Phoenix, Arizona for two years. Most importantly, the benefits to consumers over the life of the washers and refrigerators from operational savings is estimated at nearly $1 billion.

In my home state of Iowa, this legislation would result in the production of

1.5 million supper energy-efficient washers and refrigerators over the next six years, requiring over 100 new production jobs. I also expect Iowans to save $11 million in operational costs over the life span of the appliances, and 9 billion gallons of water—enough to supply drinking water for the entire state for 30 years.

Lastly, I believe the total revenue loss of this credit compares extremely favorably to the estimated benefits of almost $1 billion to consumers over the life of the super energy-efficient clothes washers and refrigerators from operational savings.

Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleagues, Senators GRASSLEY, JEFFORDS, and LINCOLN, in the introduction of legislation to establish a tax credit incentive program for the production of super energy-efficient appliances. This creative proposal will result in substantial environmental benefits for the nation at a very small cost to the government.

Our bill would provide for either a $50 or $100 tax credit for the production and sale of energy efficient washing machines and refrigerators. Today, these two appliances account for approximately 15 percent of the energy consumed in a typical home, which amounts to about $21 billion in energy expenditures annually. Although most Americans may not realize it, home appliances offer the potential for major energy savings across the nation.

Recently, several energy efficiency and environmental organizations joined with the appliance industry in endorsing considerably tougher energy-efficiency standards for washing machines. These proposed standards are now under active consideration by the Department of Energy for incorporation in new regulations. The new standards will result in tremendous energy-efficiency improvements that will have very positive environmental consequences over time. But there is a cost to these new minimum standards and, as we often find, reluctance on the part of industry and the public to incur the additional costs necessary to achieve higher energy efficiencies. Home appliances can be made more efficient but it would mean greater costs to consumers. I believe there is a necessary balance between the objective of obtaining higher energy efficiencies that reduce air emissions and the higher product costs that result. This is as true with respect to the purchase of appliances as it is with respect to the automobile, electric power, and other markets. I also recognize that there are understandable limits to the costs that society is willing to bear through regulation to obtain higher energy savings that result in environmental benefits.

However, that is not necessarily the limit at which point energy savings can be achieved. While many consumers may not be willing to pay extra for more energy-efficient appliances, I believe they can be encouraged to do so through incentive programs. The legislation we are proposing today would do just that by giving manufacturers either a $50 or $100 tax credit for every super energy-efficient appliance produced prior to 2007. The idea is to give manufacturers the means by which to create the most appropriate incentives to get consumers to purchase washing machines and refrigerators that are the most energy-efficient. Through these tax credits we will accelerate the production and market penetration of leading-edge appliance technologies that create significant environmental benefits.

The expanded use of super energy-efficient appliances will have significant long-term environmental benefits. It is estimated that as a result of this legislation over 200 trillion Btus of energy will be saved over the life of the appliances manufactured with these credits. This is the equivalent of taking 2.3 million cars off the road or closing down six coal-fired power plants for a year. Energy savings of this magnitude pay significant environmental dividends. For example, it is projected that with these energy savings carbon emissions, the critical element in greenhouse gas emissions, will be reduced by over 3.1 million metric tons. In addition, the super energy-efficient washing machines will reduce the amount of water necessary to wash clothes by 870 billion gallons, or approximately the amount of water necessary to meet the needs of every household in a state the size of West Virginia for nearly 2 years.

Vice President GORE recently recommended a similar program of tax incentives for the purchase of home appliances as part of his energy savings initiatives—and I congratulate him for his leadership in this regard. I am very glad the Vice President is considering ways to balance how we produce energy savings and believe it is important that we discuss this balance of interests as part of our national dialogue to improve our energy efficiency. I am also extremely pleased this legislation is strongly supported by leading environmental organizations including the Natural Resources Defense Council, the Alliance to Save Energy, and the American Council for an Energy Efficient Economy.

The use of energy-efficient appliances is an important milestone on the road to a cleaner, lower-cost energy future. This common-sense initiative follows on the heels of other important bipartisan legislation that I am proud to have sponsored or cosponsored during this Congress to improve our nation's energy independence and the environment. During the first session of the 106th Congress, I was joined by Senators HATCH, CRAPO, and BRYAN in introducing the Alternative Fuel Promotion Act in an effort to reduce greenhouse gas emissions and lower our consumption of imported oil. Earlier this year I joined Senators JEFFORDS and HATCH on the Alternative Fuels Tax Incentives Act, which would accomplish many of the same goals.

I am especially proud to have joined with Senator BINGAMAN and six of my Democratic colleagues on the Energy Security Tax and Policy Act, a comprehensive energy policy bill that looks to improve our nation's energy independence while protecting the environment. Finally, it was my pleasure last week to join with Environment and Public Works Chairman BOB SMITH and the Ranking Democratic Member Senator BAUCUS on the Energy Efficient Building Incentives Act, which promotes the construction of buildings 30–50 percent more efficient than today's standard. As building energy use accounts for 35 percent of the air pollution emissions nationwide and $250 billion per year in energy bills, this legislation could produce a dramatic benefit for our environment, and this country's long-term energy needs.

By Mr. HATCH:

S. 2940. A bill to authorize additional assistance for international malaria control, and to provide for coordination and consultation in providing assistance under the Foreign Assistance Act of 1961 with respect to malaria, HIV, and tuberculosis; read the first time.

GLOBAL AIDS AND TUBERCULOSIS RELIEF ACT OF 2000

Mr. HATCH. Mr. President, earlier today, we approved the Helms substitute to H.R. 3519, ''Global AIDS and Tuberculosis Relief Act of 2000.'' I was pleased to support this legislation, recognizing the need for our country to support an enhanced effort to prevent and treat AIDS and tuberculosis abroad.

I was pleased to work with Chairman HELMS, Senator BIDEN, Senator FRIST, Senator SMITH of Oregon, and other members of the Senate Foreign Relations Committee as this legislation was finalized, and, indeed, I want to work closely with them on our continuing efforts to address the problems of infectious diseases in the developing world.

For the reasons I will lay out today, I believe the aid we make possible in H.R. 3519 should be expanded to embrace not only HIV/AIDS and TB, but also malaria as well. In fact, I think it essential to make sure our foreign assistance program in Africa and the developing world coordinates its activities closely among these three diseases.

With the support of Chairman HELMS, Senator BIDEN, and Senator FRIST in the Senate, and Chairman LEACH in the House of Representatives, I have drafted companion legislation to H.R. 3519 which make certain that U.S. efforts for all three diseases are well-coordinated.

Accordingly, I rise today to introduce S. 2940 the ''International Malaria Control Act of 2000''.

The World Health Organization estimates that there are 300 million to 500 million cases of malaria each year. According to the World Health Organization, more than 1 million persons are estimated to die due to malaria each year.

The problems related to malaria are often linked to the devastation of two other terrible diseases—Acquired Immunodeficiency Disease, that is AIDS, and tuberculosis. One of the unfortunate commonalities of these diseases is that they all ravage sub-Saharan Africa and other parts of the underdeveloped world.

In addition to the one million malaria related deaths per year, about 2.5 million persons die from AIDS and another 1.5 million people per year die from tuberculosis.

The measure I introduce today centers on malaria control and calls for close cooperation among federal agencies that are charged with fighting malaria, AIDS, and TB worldwide.

According to the National Institutes of Health, about 40 percent of the world's population is at risk of becoming infected. About half of those who die each year from malaria are children under nine years of age. Malaria kills one child each 30 seconds.

Although malaria is a public health problem in more than 90 countries, more than 90 percent of all malaria cases are in sub-Saharan Africa. In addition to Africa, large areas of Central and South America, Haiti and the Dominican Republic, the Indian subcontinent, Southeast Asia, and the Middle East are high risk malaria areas.

These high risk areas represent many of the world's poorest nations which complicates the battle against malaria as well as AIDS and TB.

Malaria is particularly dangerous during pregnancy. The disease causes severe anemia and is a major factor contributing to maternal deaths in malaria endemic regions. Research has found that pregnant mothers who are HIV-positive and have malaria are more likely to pass on HIV to their children.

''Airport malaria,'' the importing of malaria by international aircraft and other conveyances is becoming more common as is the importation of the disease by international travelers themselves; the United Kingdom reported 2,364 cases of malaria in 1997, all of them imported by travelers.

In the United States, of the 1,400 cases of malaria reported to the Centers for Disease Control and Prevention in 1998, the vast majority were imported. Between 1970 and 1997, the malaria infection rate in the United States increased by about 40 percent.

In Africa, the projected economic impact of malaria in 2000 exceeds $3.6 billion. Malaria accounts for 20 to 40 percent of outpatient physician visits and 10 to 15 percent of hospital visits in Africa.

Malaria is caused by a single-cell parasite that is spread to humans by mosquitoes. No vaccine is available and treatment is hampered by development of drug-resistant parasites and insecticide-resistant mosquitoes.

Our nation must play a leadership role in the development of a vaccine for malaria as well as vaccines for TB and for the causal agent of AIDS, the human immunodeficiency virus—HIV. In this regard I must commend the President for his leadership in directing, back on March 2nd, that a renewed effort be made to form new partnerships to develop and deliver vaccines to developing countries. I must also commend the Bill and Melinda Gates foundation for pledging a substantial $750 million in financial support for this new vaccine initiative.

The private sector appears to be prepared to help meet this challenge as the four largest vaccine manufacturers, Merck, American Home Products, Glaxo SmithKline Beecham, and Aventis Pharma, have all stepped to the plate in the quest for vaccines for HIV/AIDS, TB and malaria. We must all recognize that the private sector pharmaceutical industry, in close partnership with academic and government scientists, will play a key role in the development of any vaccines for these diseases.

Among the promising developments in recent months has been Secretary Shalala directing the National Institutes of Health to convene a meeting of experts from government, academia, and the private sector to address impediments to vaccine development in the private sector. Another goal of this first in a series of conferences on Vaccines for HIV/AIDS, Malaria, and Tuberculosis, held on May 22nd and 23rd, was to foster public-private partnerships.

These ongoing NIH Conferences on Vaccines for HIV/AIDS, Malaria, and Tuberculosis will address three basic questions: what are the scientific barriers to developing vaccines for malaria, TB and HIV/AIDS? What administrative, logistical and legal barriers stand in the way of malaria, TB and HIV/AIDS vaccines? And, finally, if vaccines are developed how can they best be produced and distributed around the world?

Each of these questions will be difficult to answer. Developing vaccines for malaria, TB, and HIV/AIDS will be a difficult task. While each vaccine will be different, there are commonalities such as the fact that the legal impediments and distributional issues may be very similar. Also, there is an unfortunate geographical overlap with respects to the epidemics of malaria, TB, and HIV/AIDS. Ground zero is sub-Saharan Africa.

So while the ultimate goal is to end up with three vaccines, we must be mindful that there is a close societal and scientific linkage between the tasks of developing and delivering vaccines and therapeutic treatments for those at risk of malaria, TB and HIV/AIDS worldwide.

While the greatest immediate need is clearly in Africa and in other parts of the developing world, citizens of the United States and my constituents in Utah stand to benefit from progress in the area of vaccine development.

ADDITIONAL COSPONSORS

S. 309

At the request of Mr. MCCAIN, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 309, a bill to amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

S. 1227

At the request of Mr. L. CHAFEE, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1227, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women and children to be eligible for medical assistance under the medical program, and for other purposes.

S. 1318

At the request of Mr. JEFFORDS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1318, a bill to authorize the Secretary of Housing and Urban Development to award grants to States to supplement State and local assistance for the preservation and promotion of affordable housing opportunities for low-income families.

S. 1322

At the request of Mr. DASCHLE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1322, a bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information of genetic services.

S. 1394

At the request of Mr. TORRICELLI, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1394, a bill to require the Secretary of the Treasury to mint coins in commemoration of the U.S.S. New Jersey, and for other purposes.

S. 1586

At the request of Mr. CAMPBELL, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1586, a bill to reduce the fractionated ownership of Indian Lands, and for other purposes.

S. 1732

At the request of Mr. BREAUX, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 1732, a bill to amend the Internal Revenue Code of 1986 to prohibit certain allocations of S corporation stock held by an employee stock ownership plan.

S. 1990

At the request of Mr. LAUTENBERG, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 1900, a bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes.