of the Social Security Act to permit expansion of medical residency training programs in geriatric medicine and to provide for reimbursement of care coordination and assessment services provided under the medicare program.

S. 801

At the request of Mr. JEFFORDS, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 801, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the use of foreign tax credits under the alternative minimum tax.

S. 825

At the request of Mr. REID, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 825, a bill to amend title II of the Social Security Act to allow workers who attain age 65 after 1981 and before 1992 to choose either lump sum payments over four years totaling $5,000 or an improved benefit computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, and for other purposes.

S. 847

At the request of Mr. DAYTON, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 847, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 852

At the request of Mrs. FEINSTEIN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 852, a bill to support the aspirations of the Tibetan people to safeguard their distinct identity.

S. 871

At the request of Mr. CLELAND, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 871, a bill to amend chapter 83 of title 5, United States Code, to provide for the computation of annuities for air traffic controllers in a similar manner as the computation of annuities for law enforcement officers and firefighters.

S. 920

At the request of Mr. BREAUX, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 920, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 926

At the request of Mr. HARKIN, the names of the Senator from New York (Mrs. CLINTON), the Senator from Minnesota (Mr. WELLSTONE), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 926, a bill to prohibit the importation of any article that is produced, manufactured, or grown in Burma.

S. 974

At the request of Mr. JOHNSON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 974, a bill to amend title XVIII of the Social Security Act to provide for coverage of pharmacist services under part B of the medicare program.

S. 981

At the request of Mr. ROCKEFELLER, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 981, a bill to provide emergency assistance for families receiving assistance under part A of title IV of the Social Security Act and low-income working families.

S. 994

At the request of Mr. SCHUMER, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 994, a bill to amend the Iran and Libya Sanctions Act of 1996 to extend authorities under that Act.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1009

At the request of Mrs. HUTCHISON, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1009, a bill to require the provision of information to parents and adults concerning bacterial meningitis and the availability of a vaccination with respect to such diseases.

S. 1017

At the request of Mr. DODD, the names of the Senator from Rhode Island (Mr. REED) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1017, a bill to provide the people of China with access to food and medicines from the United States, to ease restrictions on travel to Cuba, to provide scholarships for certain Cuban nationals, and for other purposes.

S. CON. RES. 8

At the request of Ms. SNOWE, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. Con. Res. 8, a concurrent resolution expressing the sense of Congress regarding subsidized Canadian lumber exports.

S. CON. RES. 9

At the request of Mr. HARKIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. Con. Res. 9, a concurrent resolution condemning the violence in East Timor and urging the establishment of an international war crimes tribunal for prosecuting crimes against humanity that occurred during that conflict.

S. CON. RES. 45

At the request of Mr. FITZGERALD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. Con. Res. 45, a concurrent resolution expressing the sense of Congress that the Humane Methods of Slaughter Act of 1958 should be fully enforced so as to prevent needless suffering of animals.

AMENDMENT NO. 423

At the request of Mr. SMITH of Oregon, his name was added as a cosponsor of amendment No. 423.

At the request of Mr. CARPER, his name was added as a cosponsor of amendment No. 423, supra.

At the request of Mr. REED, his name was added as a cosponsor of amendment No. 423, supra.

At the request of Mr. LEVIN, his name was added as a cosponsor of amendment No. 423, supra.

AMENDMENT NO. 456

At the request of Mr. CORZINE, his name was added as a cosponsor of amendment No. 456.

AMENDMENT NO. 555

At the request of Mr. SESSIONS, his name was added as a cosponsor of amendment No. 555.

AMENDMENT NO. 792

At the request of Mr. WARNER, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of amendment No. 792 intendent to be proposed to S. 1, an original bill to extend programs and activities under the Elementary and Secondary Education Act of 1965.

AMENDMENT NO. 798

At the request of Mr. HOLLINGS, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of amendment No. 798.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN (for himself, Mr. SMITH of Oregon, Mr. ROCKEFELLER, and Mr. BREAUX):

S. 1024. A bill to amend the Public Health Service Act to provide for a public response to the public health crisis of pain, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. WYDEN. Mr. President, pain is our Nation's silent public health crisis. Pain is often left untreated or undertreated, especially among older patients, minorities and children. Forty to 50 percent of dying patients experience moderate to severe pain at least half of the time in the last days of their lives. A Brown University study published in last month's Journal of the American Medical Association found that 40 percent of nursing home patients nationwide with acute or chronic pain are not getting treatment that brings them relief. Thousand of Americans die in pain every year, and thousands live in chronic pain.

What is truly tragic for these patients is that the medical technology and know-now exist to make them more comfortable. What does not exist is a medical system that supports clinicians trying to address these issues or a system to support patients and families as they try to find help for pain.

The primary goal of the Conquering Pain Act, a bipartisan bill that I am introducing today with Senators SMITH, ROCKEFELLER, and BREAUX is to create a public health framework with on which effective pain management policies can be developed. Providing help to patients in pain, to their health care providers, and to others caring for those patients will ensure their access to pain management 24 hours a day, seven days a week, 365 days a year.

The widespread crisis of failing to adequately address patients in pain is made crystal clear by the fact that only one State in the Nation has ever has sanctioned a physician for the under-treatment of pain. That State is my home State of Oregon, which is now also considering the creation of a commission on pain management with the State health department.

The Conquering Pain Act does not seek to tell clinicians how to practice medicine. It does not override State regulation and oversight of medicine. it does provide information to physicians and families in an effort to support them. It also seeks to find answers to the complex problems created by the interplay between State and Federal regulation of pain medications.

Most importantly, the bill would create six regional Family Support Networks linking patients, families and providers to information and services to assist patients in pain. These networks would also assist clinicians who need additional information, mentoring or support to deal with the medically complex cases that patients in pain often present.

It would be cruel and callous for this Congress to continue to ignore the overwhelming number of scientific studies that show patient after patient failing to get relief from pain. This legislation, which enjoys broad support with the medical and patient community, would start us down the road toward addressing in a bipartisan, positive way one of our Nation's most serious and continued health problems.

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

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

S. 1024

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the''Conquering Pain Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Findings.
Sec. 3. Definitions.

TITLE I—EMERGENCY RESPONSE TO THE PUBLIC HEALTH CRISIS OF PAIN

Sec. 101. Guidelines for the treatment of pain.
Sec. 102. Patient expectations to have pain and symptom management.
Sec. 103. Quality improvement projects.
Sec. 104. Pain coverage quality evaluation and information.
Sec. 105. Surgeon General's report.

TITLE II—DEVELOPING COMMUNITY RESOURCES

Sec. 201. Family support networks in pain and symptom management.

TITLE III—REIMBURSEMENT BARRIERS

Sec. 301. Reimbursement barriers report.
Sec. 302. Insurance coverage of pain and symptom management.

TITLE IV—IMPROVING FEDERAL COORDINATION OF POLICY, RESEARCH, AND INFORMATION

Sec. 401. Advisory Committee on Pain and Symptom Management.
Sec. 402. Institutes of Medicine report on controlled substance regulation and the use of pain medications.
Sec. 403. Conference on pain research and care.

TITLE V—DEMONSTRATION PROJECTS

Sec. 501. Provider performance standards for improvement in pain and symptom management.
Sec. 502. End of life care demonstration projects.

SEC. 2. FINDINGS.

Congress finds that—

(1) pain is often left untreated or under-treated especially among older patients, African Americans, Hispanics and other minorities, and children;

(2) chronic pain is a public health problem affecting at least 50,000,000 Americans through some form of persisting or recurring symptom;

(3) 40 to 50 percent of patients experience moderate to severe pain at least half the time in their last days of life;

(4) 70 to 80 percent of cancer patients experience significant pain during their illness;

(5) one in 7 nursing home residents experience persistent pain that may diminish their quality of life;

(6) despite the best intentions of physicians, nurses, pharmacists, and other health care professionals, pain is often under-treated because of the inadequate training of clinicians in pain management;

(7) despite the best intentions of physicians, nurses, pharmacists, mental health professionals, and other health care professionals, pain and symptom management is often suboptimal because the health care system has focused on cure of disease rather than the management of a patient's pain and other symptoms;

(8) the technology and scientific basis to adequately manage most pain is known;

(9) pain should be considered the fifth vital sign; and

(10) coordination of Federal efforts is needed to improve access to high quality effective pain and symptom management in order to assure the needs of chronic pain patients and those who are terminally ill are met.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHRONIC PAIN.—The term ''chronic pain'' means a pain state that is persistent and in which the cause of the pain cannot be removed or otherwise alleviated. Such term includes pain that may be associated with long-term incurable or intractable medical conditions or disease.

(2) END OF LIFE CARE.—The term ''end of life care'' means a range of services, including hospice care, provided to a patient, in the final stages of his or her life, who is suffering from 1 or more conditions for which treatment toward a cure or reasonable improvement is not possible, and whose focus of care is palliative rather than curative.

(3) FAMILY SUPPORT NETWORK.—The term ''family support network'' means an association of 2 or more individuals or entities in a collaborative effort to develop multi-disciplinary integrated patient care approaches that involve medical staff and ancillary services to provide support to chronic pain patients and patients at the end of life and their caregivers across a broad range of settings in which pain management might be delivered.

(4) HOSPICE.—The term ''hospice care'' has the meaning given such term in section 1861(dd)(1) of the Social Security Act (42 U.S.C. 1395x(dd)(1)).

(5) MEDICATION THERAPY MANAGEMENT SERVICES.—The term ''medication therapy management services'' means consultations with a physician or other health care professional (including a pharmacist) who is practicing within the scope of the professional's license, concerning a patient which results in—

(A) a change in the drug regimen of the patient to avoid an adverse drug interaction with another drug or disease state;

(B) a change in inappropriate drug dosage or dosage form with respect to the patient;

(C) discontinuing an unnecessary or harmful medication with respect to the patient;

(D) an initiation of medication therapy for a medical condition of the patient;

(E) consultation with the patient or a caregiver in a manner that results in a significant improvement in drug regimen compliance; or

(F) patient and caregiver understanding of the appropriate use and adherence to medication therapy.

(6) PAIN AND SYMPTOM MANAGEMENT.—The term ''pain and symptom management'' means services provided to relieve physical or psychological pain or suffering, including any 1 or more of the following physical complaints—

(A) weakness and fatigue;
(B) shortness of breath;
(C) nausea and vomiting;
(D) diminished appetite;
(E) wasting of muscle mass;
(F) difficulty in swallowing;
(G) bowel problems;
(H) dry mouth;
(I) failure of lymph drainage resulting in tissue swelling;
(J) confusion;
(K) dementia;
(L) delirium;
(M) anxiety;
(N) depression; and
(O) and other related symptoms

(7) PALLIATIVE CARE.—The term ''palliative care'' means the total care of patients whose disease is not responsive to curative treatment, the goal of which is to provide the best quality of life for such patients and their families. Such care—

(A) may include the control of pain and of other symptoms, including psychological, social and spiritual problems;

(B) affirms life and regards dying as a normal process;

(C) provides relief from pain and other distressing symptoms;

(D) integrates the psychological and spiritual aspects of patient care;

(E) offers a support system to help patients live as actively as possible until death; and

(F) offers a support system to help the family cope during the patient's illness and in their own bereavement.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

TITLE I—EMERGENCY RESPONSE TO THE PUBLIC HEALTH CRISIS OF PAIN

SEC. 101. GUIDELINES FOR THE TREATMENT OF PAIN.

(a) DEVELOPMENT OF WEBSITE.—Not later than 2 months after the date of enactment of

this Act, the Secretary, acting through the Agency for Healthcare Research and Quality, shall develop and maintain an Internet website to provide information to individuals, health care practitioners, and health facilities concerning evidence-based practice guidelines developed for the treatment of physical and psychological pain. Websites in existence on such date may be used if such websites meet the requirements of this section.

(b) REQUIREMENTS.—The website established under subsection (a) shall—

(1) be designed to be quickly referenced by health care practitioners; and

(2) provide for the updating of guidelines as scientific data warrants.

(c) PROVIDER ACCESS TO GUIDELINES.—

(1) IN GENERAL.—In establishing the website under subsection (a), the Secretary shall ensure that health care facilities have made the website known to health care practitioners and that the website is easily available to all health care personnel providing care or services at a health care facility.

(2) USE OF CERTAIN EQUIPMENT.—In making the information described in paragraph (1) available to health care personnel, the facility involved shall—

(A) ensure that such personnel have access to the website through the computer equipment of the facility;

(B) carry out efforts to inform personnel at the facility of the location of such equipment; and

(C) ensure that patients, caregivers, and support groups are provided with access to the website.

(3) RURAL AREAS.—

(A) IN GENERAL.—A health care facility, particularly a facility located in a rural or underserved area, without access to the Internet shall provide an alternative means of providing practice guideline information to all health care personnel.

(B) ALTERNATIVE MEANS.—The Secretary shall determine appropriate alternative means by which a health care facility may make available practice guideline information on a 24-hour basis, 7 days a week if the facility does not have Internet access. The criteria for adopting such alternative means should be clear in permitting facilities to develop alternative means without placing a significant financial burden on the facility and in permitting flexibility for facilities to develop alternative means of making guidelines available. Such criteria shall be published in the Federal Register.

SEC. 102. PATIENT EXPECTATIONS TO HAVE PAIN AND SYMPTOM MANAGEMENT.

(a) IN GENERAL.—The administrator of each of the programs described in subsection (b) shall ensure that, as part of any informational materials provided to individuals under such programs, such materials shall include information, where relevant, to inform such individuals that they should expect to have their pain assessed and should expect to be provided with effective pain and symptom relief, when receiving benefits under such program.

(b) PROGRAMS.—The programs described in this subsection shall include—

(1) the medicare and medicaid programs under titles XIX and XXI of the Social Security Act (42 U.S.C. 1935 et seq., 1936 et seq.);

(2) programs carried out through the Public Health Service;

(3) programs carried out through the Indian Health Service;

(4) programs carried out through health centers under section 330 of the Public Health Service Act (42 U.S.C. 254b);

(4) the Federal Employee Health Benefits Program under title 5, United States Code;

(5) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) as defined in section 1073(4) of title 10, United States Code; and

(6) other programs administered by the Secretary.

SEC. 103. QUALITY IMPROVEMENT EDUCATION PROJECTS.

The Secretary shall provide funds for the implementation of special education projects, in as many States as is practicable, to be carried out by peer review organizations of the type described in section 1152 of the Social Security Act (42 U.S.C. 1320c-1) to improve the quality of pain and symptom management. Such projects shall place an emphasis on improving pain and symptom management at the end of life, and may also include efforts to increase the quality of services delivered to chronic pain patients and the chronically ill for whom pain may be a significant symptom.

SEC. 104. PAIN COVERAGE QUALITY EVALUATION AND INFORMATION.

(a) IN GENERAL.—Section 1851(d)(4) of the Social Security Act (42 U.S.C. 42 U.S.C. 1395w–21(d)(4)) is amended—

(1) in subparagraph (A), by adding at the end the following:

''(ix) The organization's coverage of pain and symptom management.''; and

(2) in subparagraph (D)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period and inserting '', and''; and

(C) by adding at the end the following:

''(v) not later than 2 years after the date of enactment of this clause, an evaluation (which may be made part of any other relevant report of quality evaluation that the plan is required to prepare) for the plan (updated annually) that indicates the performance of the plan with respect to access to, and quality of, pain and symptom management, including such management as part of end of life care. Data shall be posted in a comparable manner for consumer use on www.medicare.gov.''.

(b) EFFECTIVE DATE.—The amendments made by paragraph (1) apply to information provided with respect to annual, coordinated election periods (as defined in section 1851(e)(3)(B) of the Social Security Act (42 U.S.C. 1395–21(e)(3)(B)) beginning after the date of enactment of this Act.

SEC. 105. SURGEON GENERAL'S REPORT.

Not later than October 1, 2002, the Surgeon General shall prepare and submit to the appropriate committees of Congress and the public, a report concerning the state of pain and symptom management in the United States. The report shall include—

(1) a description of the legal and regulatory barriers that may exist at the Federal and State levels to providing adequate pain and symptom management;

(2) an evaluation of provider competency in providing pain and symptom management;

(3) an identification of vulnerable populations, including children, advanced elderly, non-English speakers, and minorities, who may be likely to be underserved or may face barriers to access to pain management and recommendations to improve access to pain management for these populations;

(4) an identification of barriers that may exist in providing pain and symptom management in health care settings, including assisted living facilities;

(5) an identification of patient and family attitudes that may exist which pose barriers in accessing pain and symptom management or in the proper use of pain medications;

(6) an evaluation of medical, nursing, and pharmacy school training and residency training for pain and symptom management;

(7) a review of continuing medical education programs in pain and symptom management; and

(8) a description of the use of and access to mental health services for patients in pain and patients at the end of life.

TITLE II—DEVELOPING COMMUNITY RESOURCES

SEC. 201. FAMILY SUPPORT NETWORKS IN PAIN AND SYMPTOM MANAGEMENT.

(a) ESTABLISHMENT.—The Secretary, acting through the Public Health Service, shall award grants for the establishment of 6 National Family Support Networks in Pain and Symptom Management (in this section referred to as the ''Networks'') to serve as national models for improving the access and quality of pain and symptom management to chronic pain patients (including chronically ill patients for whom pain is a significant symptom) and those individuals in need of pain and symptom management at the end of life and to provide assistance to family members and caregivers.

(b) ELIGIBILITY AND DISTRIBUTION.—

(1) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall—

(A) be an academic facility or other entity that has demonstrated an effective approach to training health care providers including mental health professionals concerning pain and symptom management and palliative care services; and

(B) prepare and submit to the Secretary an application (to be peer reviewed by a committee established by the Secretary), at such time, in such manner, and containing such information as the Secretary may require.

(2) DISTRIBUTION.—In providing for the establishment of Networks under subsection (a), the Secretary shall ensure that—

(A) the geographic distribution of such Networks reflects a balance between rural and urban needs; and

(B) at least 3 Networks are established at academic facilities.

(c) ACTIVITIES OF NETWORKS.—A Network that is established under this section—

(1) shall provide for an integrated interdisciplinary approach, that includes psychological and counseling services, to the delivery of pain and symptom management;

(2) shall provide community leadership in establishing and expanding public access to appropriate pain care, including pain care at the end of life;

(3) shall provide assistance, through caregiver supportive services, that include counseling and education services;

(4) shall develop a research agenda to promote effective pain and symptom management for the broad spectrum of patients in need of access to such care that can be implemented by the Network;

(5) shall provide for coordination and linkages between clinical services in academic centers and surrounding communities to assist in the widespread dissemination of provider and patient information concerning how to access options for pain management;

(6) shall establish telemedicine links to provide education and for the delivery of services in pain and symptom management;

(7) shall develop effective means of providing assistance to providers and families for the management of a patient's pain 24 hours a day, 7 days a week; and

(8) may include complimentary medicine provided in conjunction with traditional medical services.

(d) PROVIDER PAIN AND SYMPTOM MANAGEMENT COMMUNICATIONS PROJECTS.—

(1) IN GENERAL.—Each Network shall establish a process to provide health care personnel with information 24 hours a day, 7 days a week, concerning pain and symptom management. Such process shall be designed to test the effectiveness of specific forms of communications with health care personnel so that such personnel may obtain information to ensure that all appropriate patients

are provided with pain and symptom management.

(2) TERMINATION.—The requirement of paragraph (1) shall terminate with respect to a Network on the day that is 2 years after the date on which the Network has established the communications method.

(3) EVALUATION.—Not later than 60 days after the expiration of the 2-year period referred to in paragraph (2), a Network shall conduct an evaluation and prepare and submit to the Secretary a report concerning the costs of operation and whether the form of communication can be shown to have had a positive impact on the care of patients in chronic pain or on patients with pain at the end of life.

(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as limiting a Network from developing other ways in which to provide support to families and providers, 24 hours a day, 7 days a week.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $18,000,000 for fiscal years 2002 through 2004.

TITLE III—REIMBURSEMENT BARRIERS

SEC. 301. REIMBURSEMENT BARRIERS REPORT.

The Medicare Payment Advisory Commission (MedPac) established under section 1805 of the Social Security Act (42 U.S.C. 1396b-6) shall conduct a study, and prepare and submit to the appropriate committees of Congress a report, concerning—

(1) the manner in which medicare policies may pose barriers in providing pain and symptom management and palliative care services in different settings, including a focus on payment for nursing home and home health services;

(2) the identification of any financial barriers that may exist within the medicare and medicaid programs under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq.) that interfere with continuity of care and interdisciplinary care or supportive care for the broad range of chronic pain patients (including patients who are chronically ill for whom pain is a significant symptom), and for those who are terminally ill, and include the recommendations of the Commission on ways to eliminate those barriers that the Commission may identify;

(3) the reimbursement barriers that exist, if any, in providing pain and symptom management through hospice care, particularly in rural areas, and if barriers exist, recommendations concerning adjustments that would assist in assuring patient access to pain and symptom management through hospice care in rural areas;

(4) whether the medicare reimbursement system provides incentives to providers to delay informing terminally ill patients of the availability of hospice and palliative care; and

(5) the impact of providing payments for medication therapy management services in pain and symptom management and palliative care services.

SEC. 302. INSURANCE COVERAGE OF PAIN AND SYMPTOM MANAGEMENT.

(a) IN GENERAL.—The General Accounting Office shall conduct a survey of public and private health insurance providers, including managed care entities, to determine whether the reimbursement policies of such insurers inhibit the access of chronic pain patients to pain and symptom management and pain and symptom management for those in need of end-of-life care (including patients who are chronically ill for whom pain is a significant symptom). The survey shall include a review of formularies for pain medication and the effect of such formularies on pain and symptom management.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the General Accounting Office shall prepare and submit to the appropriate committees of Congress a report concerning the survey conducted under subsection (a).

TITLE IV—IMPROVING FEDERAL COORDINATION OF POLICY, RESEARCH, AND INFORMATION

SEC. 401. ADVISORY COMMITTEE ON PAIN AND SYMPTOM MANAGEMENT.

(a) ESTABLISHMENT.—The Secretary shall establish an advisory committee, to be known as the Advisory Committee on Pain and Symptom Management, to make recommendations to the Secretary concerning a coordinated Federal agenda on pain and symptom management.

(b) MEMBERSHIP.—The Advisory Committee established under subsection (a) shall be comprised of 11 individuals to be appointed by the Secretary, of which at least 1 member shall be a representative of—

(1) physicians (medical doctors or doctors of osteopathy) who treat chronic pain patients or the terminally ill;

(2) nurses who treat chronic pain patients or the terminally ill;

(3) pharmacists;

(4) hospice;

(5) pain researchers;

(6) patient advocates;

(7) caregivers; and

(8) mental health providers.

The members of the Committee shall designate 1 member to serve as the chairperson of the Committee.

(c) MEETINGS.—The Advisory Committee shall meet at the call of the chairperson of the Committee.

(d) AGENDA.—The agenda of the Advisory Committee established under subsection (a) shall include—

(1) the development of recommendations to create a coordinated Federal agenda on pain and symptom management;

(2) the development of proposals to ensure that pain is considered as the fifth vital sign for all patients;

(3) the identification of research needs in pain and symptom management, including gaps in pain and symptom management guidelines;

(4) the identification and dissemination of pain and symptom management practice guidelines, research information, and best practices;

(5) proposals for patient education concerning how to access pain and symptom management across health care settings;

(6) the manner in which to measure improvement in access to pain and symptom management and improvement in the delivery of care;

(7) the development of ongoing strategies to assure the aggressive use of pain medications, including opiods, regardless of health care setting; and

(8) the development of an ongoing mechanism to identify barriers or potential barriers to pain and symptom management created by Federal policies.

(e) RECOMMENDATION.—Not later than 2 years after the date of enactment of this Act, the Advisory Committee established under subsection (a) shall prepare and submit to the Secretary recommendations concerning a prioritization of the need for a Federal agenda on pain and symptom management, and ways in which to better coordinate the activities of entities within the Department of Health and Human Services, and other Federal entities charged with the responsibility for the delivery of health care services or research on pain and symptom management with respect to pain management.

(f) CONSULTATION.—In carrying out this section, the Advisory Committee shall consult with all Federal agencies that are responsible for providing health care services or access to health services to determine the best means to ensure that all Federal activities are coordinated with respect to research and access to pain and symptom management.

(g) ADMINISTRATIVE SUPPORT; TERMS OF SERVICE; OTHER PROVISIONS.—The following shall apply with respect to the Advisory Committee:

(1) The Committee shall receive necessary and appropriate administrative support, including appropriate funding, from the Department of Health and Human Services.

(2) The Committee shall hold open meetings and meet not less than 4 times per year.

(3) Members of the Committee shall not receive additional compensation for their service. Such members may receive reimbursement for appropriate and additional expenses that are incurred through service on the Committee which would not have incurred had they not been a member of the Committee.

(4) The requirements of Appendix 2 of title 5, United States Code.

SEC. 402. INSTITUTES OF MEDICINE REPORT ON CONTROLLED SUBSTANCE REGULATION AND THE USE OF PAIN MEDICATIONS.

(a) IN GENERAL.—The Secretary, acting through a contract entered into with the Institute of Medicine, shall review findings that have been developed through research conducted concerning—

(1) the effects of controlled substance regulation on patient access to effective care;

(2) factors, if any, that may contribute to the underuse of pain medications, including opiods;

(3) the identification of State legal and regulatory barriers, if any, that may impact patient access to medications used for pain and symptom management; and

(4) strategies to assure the aggressive use of pain medications, including opiods, regardless of health care setting.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the findings described in subsection (a).

SEC. 403. CONFERENCE ON PAIN RESEARCH AND CARE.

Not later than December 31, 2005, the Secretary, acting through the National Institutes of Health, shall convene a national conference to discuss the translation of pain research into the delivery of health services including mental health services to chronic pain patients and those needing end-of-life care. The Secretary shall use unobligated amounts appropriated for the Department of Health and Human Services to carry out this section.

TITLE V—DEMONSTRATION PROJECTS

SEC. 501. PROVIDER PERFORMANCE STANDARDS FOR IMPROVEMENT IN PAIN AND SYMPTOM MANAGEMENT.

(a) IN GENERAL.—The Secretary, acting through the Health Resources Services Administration, shall award grants for the establishment of not less than 5 demonstration projects to determine effective methods to measure improvement in the skills, knowledge, and attitudes and beliefs of health care personnel in pain and symptom management as such skill, knowledge, and attitudes and beliefs apply to providing services to chronic pain patients and those patients requiring pain and symptom management at the end of life.

(b) EVALUATION.—Projects established under subsection (a) shall be evaluated to determine patient and caregiver knowledge

and attitudes toward pain and symptom management.

(c) APPLICATION.—To be eligible to receive a grant under subsection (a), an entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require.

(d) TERMINATION.—A project established under subsection (a) shall terminate after the expiration of the 2-year period beginning on the date on which such project was established.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 502. END OF LIFE CARE DEMONSTRATION PROJECTS.

The Secretary, acting through the Health Resources and Services Administration, shall—

(1) not later than January 1, 2004, carry out not less than 5 demonstration and evaluation projects that implement care models for individuals at the end of life, at least one of which shall be developed to assist those individuals who are terminally ill and have no family or extended support, and each of which may be carried out in collaboration with domestic and international entities to gain and share knowledge and experience on end of life care;

(2) conduct 3 demonstration and evaluation activities concerning the education and training of clinicians in end of life care, and assist in the development and distribution of accurate educational materials on both pain and symptom management and end of life care;

(3) in awarding grants for the training of health professionals, give priority to awarding grant to entities that will provide training for health professionals in pain and symptom management and in end-of-life care at the undergraduate level;

(4) shall evaluate demonstration projects carried out under this section within the 5-year period beginning on the commencement of each such project; and

(5) develop a strategy and make recommendations to Congress to ensure that the United States health care system—

(A) has a meaningful, comprehensive, and effective approach to meet the needs of individuals and their caregivers as the patient approaches death; and

(B) integrates broader supportive services.

Mr. SMITH of Oregon. Mr. President, I rise today to join my friend and colleague from Oregon in reintroducing the Conquering Pain Act. He and I have worked long and hard together to expand access to effective pain and symptom management for chronic pain and terminally ill patients, and I believe that this legislation is an important step toward accomplishing that goal. This is an issue of great importance to my home state of Oregon, and a matter of personal significance to me.

Prior to my service in elected office, I served as a volunteer for my church. In this capacity, I found my professional work as a food processor in a constant, but blessed, state of interruption. On a weekly basis and at the oddest of hours, I found myself making continual rounds at St. Anthony's Hospital in Pendleton, Oregon. On many occasions I shared with parents the unspeakable joy of welcoming newborn babies into this world. On others, I suffered in heartbreaking sorrow as I tried to comfort the critically ill, or hold the hands of those who lay at the brink of eternity.

On too many of these occasions, patients suffered intense pain and discomfort during their final hours; sometimes as a result of inadequate pain management techniques, and sometimes as a result of our medical focus on curing illness and prolonging life at any cost. I have seen many beloved friends suffer unnecessarily and I believe that all Americans have been touched at some point by a friend or family member struggling to cope with chronic or acute pain. We all deserve a health care system committed to adequately addressing the comfort of ailing patients.

The legislation we reintroduce today, the Conquering Pain Act, is consistent with my belief that the practice of medicine must place greater emphasis on helping people who are experiencing chronic and acute pain.

The Conquering Pain Act of 2001 will take a number of steps to ensure that patients have greater access to effective pain management. This legislation will commission studies by the Surgeon General's office, the General Accounting Office, the Institute of Medicine, and MedPac to examine the state of pain and symptom management in the United States, and to review regulatory obstacles that stifle effective pain management in our health care system. The Act will establish demonstration projects at the Department of Health and Human Services and other institutions to provide advanced pain management care and to research effective methods to measure improvement in the skills, knowledge, and attitudes of health care personnel in pain and symptom management. In addition, this bill will make important and timely information related to pain management available to patients and health care professionals over the Internet.

The Conquering Pain Act of 2001 will do something that should have been done many years ago; it will finally establish a coordinated Federal agenda regarding pain and symptom management. For better or for worse, our health care system has focused intensely on curing disease but has never adequately addressed the need to provide effective pain management. Americans should expect their health care providers to attend to their comfort as well as their health, and I believe that this legislation will go a long way toward addressing this long-standing deficiency.

By Mr. LIEBERMAN:

S. 1025. A bill to provide for savings for working families; to the Committee on Finance.

Mr. SANTORUM. Mr. President, today, Senator JOSEPH LIEBERMAN and I are introducing the Savings for Working Families Act, which seeks to expand opportunities through Individual Development Accounts, IDAs, to enable the working poor to save for a home, educational expenses, and micro-enterprise and small business efforts. We have already reintroduced this provision this year as Title I of bipartisan legislation, S. 592, ''the Savings Opportunity and Charitable Giving Act of 2001.'' Rep. PITTS and Rep. STENHOLM are also introducing a bipartisan companion bill on IDAs in the House of Representatives today.

IDAs have been endorsed by President Bush during the presidential campaign and were included in his budget. IDAs are also included in H.R. 7, ''the Community Solutions Act.'' We strongly support the charitable giving incentives in our bill but in the context of this legislation, which includes savings incentives provisions, we are seeking to add additional tax relief for those working hard to save.

IDAs are matched savings accounts for working Americans restricted to three uses: 1. buying a first home; 2. receiving post-secondary education or training; or 3. starting or expanding a small business. Individual and matching deposits are not co-mingled; all matching dollars are kept in a separate, parallel account. When the account holder has accumulated enough savings and matching funds to purchase the asset, typically over two to four years, and has completed a financial education course, payments from the IDA will be made directly to the asset provider.

Financial institutions, or their contractual affiliates, would be reimbursed for all matching funds provided plus a limited amount of the program and administrative costs incurred, whether directly or through collaborations with other entities. Specifically, the IDA Tax Credit would be the aggregate amount of all dollar-for-dollar matches provided, up to $500 per person per year, plus a one-time $100 per account credit for financial education, recruiting, marketing, administration, withdrawals, etc., plus an annual $30 per account credit for the administrative cost of maintaining the account. To be eligible for the match, adjusted gross income may not exceed $20,000, single, $25,000, head of household, or $40,000, married, to prevent the creation of any additional marriage penalties.

Our legislation is aimed at fixing our Nation's growing gap in asset ownership, which keeps millions of low-income workers from achieving the American dream. Most public attention focuses on our growing income gap. Though the booming American economy has delivered significant income gains to the Nation's upper-income earners, lower-income workers have been left on the sidelines. This suggests to some that closing this divide between the have-mosts and the have-leasts is simply a matter of raising wages. But the reality is that the income gap is a symptom of a larger, more complicated problem.

Success in today's new economy is defined less and less by how much you

earn and more and more by how much you own—your asset base. This is great news for the millions of middle-class homeowners who are tapped into America's economic success, but it is bad news for those who are simply tapped out—those with no assets and little hope of accumulating the means for upward mobility and real financial security. This widening asset gap was underscored in a report issued earlier this year by the Federal Reserve. The Fed found that while the net worth of the typical family has risen substantially in recent years, it has actually dropped substantially for low-income families.

For families with annual incomes of less than $10,000, the median net worth dipped from $4,800 in 1995 to $3,600 in 1998. For families with incomes between $10,000 and $25,000, the median net worth fell from $31,000 to $24,800 over the same period. The rate of home ownership among low-income families has dropped as well. For families making less than $10,000, it went from 36.1 percent to 34.5 percent from 1995 to 1998; for those making between $10,000 and $25,000, it fell from 54.9 percent to 51.7 percent.

How do we reverse this troubling trend? IDAs are the unfinished business of the Community Renewal and New Markets Empowerment initiatives which became law in December of 2000 and will increase job opportunities and renew hope in what have been hopeless places. But to sustain this hope, we must provide opportunities for individuals and families to build tangible assets and acquire stable wealth.

How do we do this? We believe that the marketplace can provide such opportunity. Non-profit groups around the country have launched innovative private programs that are achieving great success in transforming the ''unbanked''—people who have never had a bank account—into unabashed capitalists. Through IDAs, banks and credit unions offer special savings accounts to low-income Americans and match their deposits dollar-for-dollar. In return, participants take an economic literacy course and commit to using their savings to buy a home, upgrade their education or to start a business.

Thousands of people are actively saving today through IDA programs in about 250 neighborhoods nationwide. In one demonstration project undertaken by the Corporation for Enterprise Development, CFED, a leading IDA promoter, 2,378 participants have already saved $838,443, which has leveraged an additional $1,644,508.

While data have been encouraging, unfortunately IDA programs are still limited and too scattered across the Nation. This amendment will expand IDA access nationwide by providing a significant tax credit to financial institutions and community groups which they will pass through to IDA account holders. This credit would reimburse banks for the first $500 of matching funds they contribute, thus significantly lowering the cost of offering IDAs. Other State and private funds can also be used to provide additional match to savings. It also benefits our economy, the long-term stability of which is threatened by our pitiful national savings rate. In fact, according to some estimates, every $1 invested in an IDA returns $5 to the national economy.

IDAs are supported by a variety of groups including the Credit Union National Association, the Corporation for Enterprise Development, the National Association of Homebuilders, the Financial Services Roundtable, and the National Conference of State Legislators.

Individual Development Accounts, combined with other community development and wealth creation opportunities, are a first step towards restoring the faith in the longstanding American promise of equal opportunity. That faith has been shaken by stark divisions of income and wealth in our society. With the leadership of the President and the Speaker, I am hopeful, along with Senator LIEBERMAN and other supporters in the Senate, that Congress will take this significant step toward restoring the long-cherished American ideals of rewarding hard work, encouraging responsibility, and expanding opportunity this year.

By Mr. SCHUMER:

S. 1027. A bill to expand the purposes of the program of block grants to States for temporary assistance for needy families to include poverty reduction, and to make grants available under the program for that purpose; to the Committee on Finance.

Mr. WELLSTONE. Mr. President, I rise today to speak on the Schumer-Wellstone ''Child Poverty Reduction Act.'' This bill would create a fifth goal of the Temporary Assistance for Needy Families, TANF, Program to reduce poverty among families with children in the United States, and it would provide a $150 million annual appropriation for high performance bonus grants to States who reduce both the depth and extent of child poverty.

Under current law, TANF has four goals: 1. provide assistance to needy families so that children may be cared for in their own homes; 2. end dependency on the welfare system; 3. prevent and reduce the incidence of out-of-wedlock pregnancies; and 4. encourage the formation and maintenance of two parent families. The bill would add language stating that the fifth goal of TANF is ''to reduce poverty of families with children in the United States.''

The TANF program currently awards ''high performance'' bonuses to States that rank high on outcome measures related to the program's goals. A total of $1 billion was provided over 5 years, averaging $200 million per year, for this bonus. The law charges the Secretary of Health and Human Services with developing the criteria for measuring high performance in consultation with certain groups representing the states. Bonuses have thus far been awarded for fiscal year 1999 and fiscal year 2000. For fiscal year 1999 through fiscal year 2001, states are judged only on measures related to promoting work for the high performance bonus. Beginning in fiscal year 2002, new measures will be added that provide bonus awards to States that increase the percent of married couple families with children and to States that take steps to increase participation in food stamps, Medicaid/SCHIP and child care. This bill would create an additional $150 million bonus category to provide high performance bonus grants to all States that reduce their child poverty rate from the previous year's poverty rate. The grant is authorized from fiscal year 2003 onward. To ensure continued improvement, States cannot receive a bonus if their child poverty rate for any given year is higher than their lowest child poverty rate from calendar year 2002 onward. In addition, even if a State reduces the overall poverty rate, a State cannot receive the bonus if the average amount of income that the State's poor children needed to get above the poverty line, the average depth of child poverty, increased from the previous year. Each State that qualifies for a grant would receive an award equal to the number of the children residing in the State as a percentage of the number of children living in the United States. A qualifying State can receive no less than $1 million per year, and no more than 5 percent of their Basic TANF grant.

This bill takes the important first step toward reorienting our thinking about the purpose of welfare ''reform.'' Many people have trumpeted the ''success'' of welfare reform, pointing to the enormous reduction in the caseload as proof of this success, but such claims miss the point. Reducing the rolls is the easy part—just kick people off, close their cases, and wish them well. The more important, and infinitely more difficult, part is the reduction of poverty. When advocates of welfare ''reform'' talk about ending dependency, there is clearly a presumption that they are also advocating moving these same families toward economic self-sufficiency. But the reality of the situation is that the welfare rolls have declined much more quickly than the poverty rate, and it is not at all clear that those families who have lost their benefits have moved out of poverty. Of particular concern is the fact that too many children in this country continue to live in poverty.

What do we know about the well-being of poor children in this country? We know that the number of children who live in poverty has declined. In 1998, 18.9 percent of children in the United States lived in poverty. In 1999 that figure dropped to 16.9 percent. But before we start celebrating, let's think about what this really represents. In this period of unheralded economic growth, child poverty has decreased by

two percent. Two percent. Unprecedented, rewrite the economic textbooks, prosperity, and childhood poverty has decreased by only two percent.

Worse, though, we also know that poor children are on average now more poor than ever before. Their families have incomes further below the poverty level than in any other year that this information has been collected. And researchers point to the decline in cash assistance and food stamps as a primary cause. The percentage of poor children whose families received cash assistance fell from 62 percent in 1994 to 43 percent in 1998; the percent of poor children who received food stamps dropped from 94 percent to 75 percent from 1994 to 1998; and a million people became uninsured in 1998. Our Nation's programs, designed to meet the needs of our most vulnerable citizens, are serving fewer of them. This is what we call success? I've said it before and I'll continue to say it for as long as we have this debate simply reducing the welfare rolls is not success. Reducing the rolls is not the same thing as reducing poverty, our real goal, a goal we have not come close to reaching.

It is critical that we reframe the public discourse so that welfare ''reform'' is about ending poverty, not simply reducing the rolls, and we must make it part of a larger discourse about the needs of working families in this country. After all, there are about 6 million people on the welfare rolls, but there are 32 million people 12 million children living in poverty, 43 million people who are uninsured, 30 million people who are hungry, more than 13 million children who are eligible for child care assistance who aren't receiving any, more than 12 million people teetering on the edge of homelessness, and an estimated 6.9 million people in this country earning only the minimum wage unable to move their families out of poverty even by working full-time, year-round. As we begin to consider reauthorization of the welfare ''reform'' bill, we need to understand that whatever debate we have won't be just about welfare. We need to understand that what we will really be talking about is poverty, about hunger and homelessness, about whether or not our children are safe, about whether or not they come to school ''ready to learn,'' about whether or not they grow and prosper. The debate we will have is not simply about what is good for the 6 million people in this country receiving public assistance, or even the 32 million people living in poverty, but it will be a debate about what is good for our country. It will be a debate about our priorities.

Any investment we make in the needs of low-income families will be paid back to us a thousand-fold in the well-being of our children, our neighborhoods, and our communities. And the cost of not investing in these families is similarly multiplied when we see our children fall behind in grade school and high school, when we bear witness to horrible acts of violence committed by children against children, and when we face a cycle of poverty that seems nearly unbreakable. I look forward to the day when the needs of all families are met, when we ensure that every member of our community leads a life of dignity, able to provide for themselves and their families. And I have to believe that such a day will come, although I worry that it may not come soon enough.

We must do more to reduce both the extent and the depth of poverty in this country, and right now is the time to do so. Right now we have the resources to ensure that no family, no child, is left behind. The Schumer-Wellstone ''Child Poverty Reduction Act'' is a step in this direction. I urge each of my colleagues to support this bill.

By Mr. DASCHLE (for himself and Mr. JOHNSON):

S. 1028. A bill to direct the Secretary of the Interior to convey certain parcels of land acquired for the Blunt Reservoir and Pierre Canal Features of the initial stage of Oahe Unit, James Division, South Dakota, to the Commission of Schools and Public Lands and the Department of Game, Fish and Parks of the State of South Dakota for the purpose of mitigating lost wildlife habitat, on the condition that the current preferential leaseholders shall have an option to purchase the parcels from the Commission, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DASCHLE. Mr. President, I am today introducing the Blunt Reservoir and Pierre Canal Land Conveyance Act of 2001. This proposal is the culmination of more than 3 years of discussion with local landowners, the South Dakota Water Congress, the U.S. Bureau of Reclamation, local legislators, representatives of South Dakota sportsmen groups and affected citizens. It lays out a plan to convey certain parcels of land acquired for the Blunt Reservoir and Pierre Canal features of the Oahe Irrigation Project in South Dakota to the Commission of School and Public Lands of the State of South Dakota for the purpose of mitigating lost wildlife habitat, and provides the option to preferential leaseholders to purchase their original parcels from the Commission.

To more fully understand the issues addressed by the legislation, it is necessary to review some of the history related to the Oahe Unit of the Missouri River Basin project in South Dakota.

The Oahe Unit was originally approved as part of the overall plan for water development in the Missouri River Basin that was incorporated in the Flood Control Act of 1944. Subsequently, Public Law 90–453 authorized construction and operation of the initial stage of this unit. The purposes of the Oahe Unit, as authorized, were to provide for the irrigation of 190,000 acres of farmland, conserve and enhance fish and wildlife habitat, promote recreation and meet other important goals.

The project came to be known as the Oahe Irrigation Project, and the principal features of the initial stage of the project included the Oahe pumping plant, located near Oahe Dam, to pump water from the Oahe Reservoir, a system of main canals, including the Pierre Canal, running east from the Oahe Reservoir, and the establishment of regulating reservoirs, including the Blunt Dam and Reservoir, located approximately 35 miles east of Pierre, South Dakota.

Under the authorizing legislation, 42,155 acres were to be acquired by the Federal Government in order to construct and operate the Blunt Reservoir feature of the Oahe Irrigation Project. Land acquisition for the proposed Blunt Reservoir feature began in 1972 and continued through 1977. A total of 17,878 acres actually were acquired from willing sellers.

The first land for the Pierre Canal feature was purchased in July 1975 and included the 1.3 miles of Reach 1B. An additional 21-mile reach was acquired from 1976 through 1977, also from willing sellers.

Organized opposition to the Oahe Irrigation Project surfaced in 1973 and continued to build until a series of public meetings were held in 1977 to determine if the project should continue. In late 1977, the Oahe project was made a part of President Carter's Federal Water Project review process.

The Oahe project construction was then halted on September 30, 1977, when Congress did not include funding in the FY 1978 appropriations. Thus, all major construction contract activities ceased, and land acquisition was halted.

The Oahe Project remained an authorized water project with a bleak future and minimal chances of being completed as authorized. Consequently, the Department of Interior, through the Bureau of Reclamation, gave to those persons who willingly had sold their lands to the project, and their descendants, the right to lease those lands and use them as they had in the past until they were needed by the Federal Government for project purposes.

During the period from 1978 until the present, the Bureau of Reclamation has administered these lands on a preference lease basis for those original landowners or their descendants and on a non-preferential basis for lands under lease to persons who were not preferential leaseholders. Currently, the Bureau of Reclamation administers 12,978 acres as preferential leases and 4,304 acres as non-preferential leases in the Blunt Reservoir.

As I noted previously, the Oahe Irrigation Project is related directly to the overall project purposes of the Pick-Sloan Missouri Basin program authorized under the Flood Control Act of 1944. Under this program, the U.S. Army Corps of Engineers constructed four major dams across the Missouri

River in South Dakota. The two largest reservoirs formed by these dams, Oahe Reservoir and Sharpe Reservoir, caused the loss of approximately 221,000 acres of fertile, wooded bottomland that constituted some of the most productive, unique and irreplaceable wildlife habitat in the State of South Dakota. This included habitat for both game and non-game species, including several species now listed as threatened or endangered. Meriwhether Lewis, while traveling up the Missouri River in 1804 on his famous expedition, wrote in his diary, ''Song birds, game species and furbearing animals abound here in numbers like none of the party has ever seen. The bottomlands and cottonwood trees provide a shelter and food for a great variety of species, all laying their claim to the river bottom.''

Under the provisions of the Wildlife Coordination Act of 1958, the State of South Dakota has developed a plan to mitigate a part of this lost wildlife habitat as authorized by Section 602 of Title VI of Public Law 105–277, October 21, 1998, known as the Cheyenne River Sioux Tribe, Lower Brule Sioux Tribe, and State of South Dakota Terrestrial Wildlife Habitat Restoration Act. The State's habitat mitigation plan has received the necessary approval and interim funding authorizations under Sections 602 and 609 of Title VI.

The State's habitat mitigation plan requires the development of approximately 27,000 acres of wildlife habitat in South Dakota. Transferring the 4,304 acres of non-preferential lease lands in the Blunt Reservoir feature to the South Dakota Department of Game, Fish and Parks would constitute a significant step toward satisfying the habitat mitigation obligation owed to the state by the Federal Government and as agreed upon by the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, and the South Dakota Department of Game, Fish and Parks.

As we developed this legislation, many meetings occurred among the local landowners, South Dakota Department of Game, Fish and Parks, business owners, local legislators, the Bureau of Reclamation, as well as representatives of sportsmen groups. It became apparent that the best solution for the local economy, tax base and wildlife mitigation issues would be to allow the preferential leaseholders (original landowner or descendant or operator of the land at the time of purchase) to have an option to purchase the land from the Commission of School and Public Lands after the preferential lease parcels are conveyed to the Commission. This option will be available for a period of 5 years after the date of conveyance to the Commission. During the interim period, the preferential leaseholders shall be entitled to continue to lease from the Commissioner under the same terms and conditions they have enjoyed with the Bureau of Reclamation. If the preferential leaseholder fails to purchase a parcel within the 5-year period, that parcel will be conveyed to the South Dakota Department of Game, Fish and Parks to be use to implement the 27,000-acre habitat mitigation plan.

The proceeds from these sales will be used to finance the administration of this bill, support public education in the State of South Dakota, and will be added to the South Dakota Wildlife Habitat Mitigation Trust Fund to assist in the payment of local property taxes on lands transferred from the Federal government to the state of South Dakota.

In summary, the State of South Dakota, the Federal Government, the original landowners, the sportsmen and wildlife will benefit from this bill. It provides for a fair and just resolution to the private property and environmental problems caused by the Oahe Irrigation Project some 25 years ago. We have waited long enough to right some of the wrongs suffered by our landowners and South Dakota's wildlife resources.

I am hopeful the Senate will act quickly on this legislation. Our goal is to enact a bill that will allow meaningful wildlife habitat mitigation to begin, give certainty to local landowners who sacrificed their lands for a defunct federal project they once supported, ensure the viability of the local land base and tax base, and provide well maintained and managed recreation areas for sportsmen.

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

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

S. 1028

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 ''Blunt Reservoir and Pierre Canal Land Conveyance Act of 2001''.

SEC. 2. FINDINGS.

Congress finds that—

(1) under the Act of December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 887, chapter 665; 33 U.S.C. 701–1 et seq.), Congress approved the Pick-Sloan Missouri River Basin Program—

(A) to promote the general economic development of the United States;

(B) to provide for irrigation above Sioux City, Iowa;

(C) to provide for municipal and industrial water supply, fish and wildlife, and recreation;

(D) to protect urban and rural areas from devastating floods of the Missouri River; and

(E) for other purposes;

(2) the purpose of the Oahe Unit, James Division, of the Oahe Irrigation Project was to meet the requirements of that Act by providing irrigation above Sioux City, Iowa;

(3) the principal features of the initial stage of the Oahe Unit, James Division, of the Oahe Irrigation Project included—

(A) a system of main canals, including the Pierre Canal, running east from the Oahe Reservoir; and

(B) the establishment of regulating reservoirs, including the Blunt Dam and Reservoir, located approximately 35 miles east of Pierre, South Dakota;

(4) land to establish the Pierre Canal and Blunt Reservoir was purchased between 1972 and 1977, when construction on the initial stage of the Oahe Unit, James Division, was halted;

(5) since 1978, the Commissioner of Reclamation has administered the land—

(A) on a preferential lease basis to original landowners or their descendants; and

(B) on a nonpreferential lease basis to other persons;

(6) the 2 largest reservoirs created by the Pick-Sloan Missouri River Basin Program, Lake Oahe and Lake Sharpe, caused the loss of approximately 221,000 acres of fertile, wooded bottomland in South Dakota that constituted some of the most productive, unique, and irreplaceable wildlife habitat in the State;

(7) the State has developed a plan to meet the Federal obligation under the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) to mitigate the loss of wildlife habitat, the implementation of which is authorized by section 602 of title VI of Public Law 105–277 (112 Stat. 2681–660); and

(8) it is in the interests of the United States and the State to—

(A) provide original landowners or their descendants with an opportunity to purchase back their land; and

(B) transfer the remaining land to the State to allow implementation of its habitat mitigation plan.

SEC. 3. BLUNT RESERVOIR AND PIERRE CANAL.

(a) DEFINITIONS.—In this section:

(1) BLUNT RESERVOIR FEATURE.—The term ''Blunt Reservoir feature'' means the Blunt Reservoir feature of the Oahe Unit, James Division, authorized by the Act of August 3, 1968 (82 Stat. 624), as part of the Pick-Sloan Missouri River Basin Program.

(2) COMMISSION.—The term ''Commission'' means the Commission of Schools and Public Lands of the State.

(3) NONPREFERENTIAL LEASE PARCEL.—The term ''nonpreferential lease parcel'' means a parcel of land that—

(A) was purchased by the Secretary for use in connection with the Blunt Reservoir feature or the Pierre Canal feature; and

(B) was considered to be a nonpreferential lease parcel by the Secretary as of January 1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(4) PIERRE CANAL FEATURE.—The term ''Pierre Canal feature'' means the Pierre Canal feature of the Oahe Unit, James Division, authorized by the Act of August 3, 1968 (82 Stat. 624), as part of the Pick-Sloan Missouri River Basin Program.

(5) PREFERENTIAL LEASEHOLDER.—The term ''preferential leaseholder'' means a person or descendant of a person that held a lease on a preferential lease parcel as of January 1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(6) PREFERENTIAL LEASE PARCEL.—The term ''preferential lease parcel'' means a parcel of land that—

(A) was purchased by the Secretary for use in connection with the Blunt Reservoir feature or the Pierre Canal feature; and

(B) was considered to be a preferential lease parcel by the Secretary as of January 1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Commissioner of Reclamation.

(8) STATE.—

(A) IN GENERAL.—The term ''State'' means the State of South Dakota.

(B) INCLUSION.—The term ''State'' includes a successor in interest of the State.

(9) UNLEASED PARCEL.—The term ''unleased parcel'' means a parcel of land that—

(A) was purchased by the Secretary for use in connection with the Blunt Reservoir feature or the Pierre Canal feature; and

(B) is not under lease as of the date of enactment of this Act.

(b) DEAUTHORIZATION.—The Blunt Reservoir feature is deauthorized.

(c) CONVEYANCE.—Not later than 1 year after the date of enactment of this Act, the Secretary shall convey all of the preferential lease parcels to the Commission, without consideration, on the condition that the Commission honor the purchase option provided to preferential leaseholders under subsection (e).

(d) ACCEPTANCE OF LAND AND OBLIGATIONS.—

(1) IN GENERAL.—As a condition of each conveyance under subsections (c) and (f), respectively, the State shall agree to accept—

(A) in ''as is'' condition, the Blunt Reservoir Feature and the Pierre Canal Feature; and

(B) any liability accruing after the date of conveyance as a result of the ownership, operation, or maintenance of the features referred to in subparagraph (A), including liability associated with certain outstanding obligations associated with expired easements, or any other right granted in, on, over, or across either feature.

(2) RESPONSIBILITIES OF THE STATE.—An outstanding obligation described in paragraph (1)(B) shall inure to the benefit of, and be binding upon, the State.

(3) OIL, GAS, MINERAL, AND OTHER OUTSTANDING RIGHTS.—A conveyance under subsection (c) or (f) shall be made subject to—

(A) oil, gas, and other mineral rights reserved of record, as of the date of enactment of this Act, by or in favor of a third party; and

(B) any permit, license, lease, right-of-use, or right-of-way of record in, on, over, or across a feature referred to in paragraph (1)(A) that is outstanding as to a third party as of the date of enactment of this Act.

(e) PURCHASE OPTION.—

(1) IN GENERAL.—A preferential leaseholder shall have an option to purchase from the Commission the preferential lease parcel that is the subject of the lease.

(2) TERMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a preferential leaseholder may elect to purchase a parcel on 1 of the following terms:

(i) Cash purchase for the amount that is equal to—

(I) the value of the parcel determined under paragraph (4); minus

(II) 10 percent of that value.

(ii) Installment purchase, with 10 percent of the value of the parcel determined under paragraph (4) to be paid on the date of purchase and the remainder to be paid over not more than 30 years at 3 percent annual interest.

(B) VALUE UNDER $10,000.—If the value of the parcel is under $10,000, the purchase shall be made on a cash basis in accordance with subparagraph (A)(i).

(3) OPTION EXERCISE PERIOD.—

(A) IN GENERAL.—A preferential leaseholder shall have until the date that is 5 years after the date of the conveyance under subsection (c) to exercise the option under paragraph (1).

(B) CONTINUATION OF LEASES.—Until the date specified in subparagraph (A), a preferential leaseholder shall be entitled to continue to lease from the Commission the parcel leased by the preferential leaseholder under the same terms and conditions as under the lease, as in effect as of the date of conveyance.

(4) VALUATION.—

(A) IN GENERAL.—The value of a preferential lease parcel shall be determined to be, at the election of the preferential leaseholder—

(i) the amount that is equal to—

(I) the number of acres of the preferential lease parcel; multiplied by

(II) the amount of the per-acre assessment of adjacent parcels made by the Director of Equalization of the county in which the preferential lease parcel is situated; or

(ii) the amount of a valuation of the preferential lease parcel for agricultural use made by an independent appraiser.

(B) COST OF APPRAISAL.—If a preferential leaseholder elects to use the method of valuation described in subparagraph (A)(ii), the cost of the valuation shall be paid by the preferential leaseholder.

(5) CONVEYANCE TO THE STATE.—

(A) IN GENERAL.—If a preferential leaseholder fails to purchase a parcel within the period specified in paragraph (3)(A), the Commission shall convey the parcel to the State of South Dakota Department of Game, Fish, and Parks.

(B) WILDLIFE HABITAT MITIGATION.—Land conveyed under subparagraph (A) shall be used by the South Dakota Department of Game, Fish, and Parks for the purpose of mitigating the wildlife habitat that was lost as a result of the development of the Pick-Sloan project.

(6) USE OF PROCEEDS.—Of the proceeds of sales of land under this subsection—

(A) not more than $750,000 shall be used to reimburse the Secretary for expenses incurred in implementing this Act;

(B) an amount not exceeding 10 percent of the cost of each transaction conducted under this Act shall be used to reimburse the Commission for expenses incurred implementing this Act;

(C) $3,095,000 shall be deposited in the South Dakota Wildlife Habitat Mitigation Trust Fund established by section 603 of the Water Resources Development Act of 1999 (113 Stat. 389) for the purpose of paying property taxes on land transferred to the State;

(D) $185,400 shall be transferred to Sully County, South Dakota;

(E) $14,600 shall be transferred to Hughes County, South Dakota; and

(F) the remainder shall be used by the Commission to support public schools in the State.

(f) CONVEYANCE OF NONPREFERENTIAL LEASE PARCELS AND UNLEASED PARCELS.—

(1) CONVEYANCE BY SECRETARY TO STATE.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall convey to the South Dakota Department of Game, Fish, and Parks the nonpreferential lease parcels and unleased parcels of the Blunt Reservoir and Pierre Canal.

(B) WILDLIFE HABITAT MITIGATION.—Land conveyed under subparagraph (A) shall be used by the South Dakota Department of Game, Fish, and Parks for the purpose of mitigating the wildlife habitat that was lost as a result of the development of the Pick-Sloan project.

(2) LAND EXCHANGES FOR NONPREFERENTIAL LEASE PARCELS AND UNLEASED PARCELS.—

(A) IN GENERAL.—With the concurrence of the South Dakota Department of Game, Fish, and Parks, the South Dakota Commission of Schools and Public Lands may allow a person to exchange land that the person owns elsewhere in the State for a nonpreferential lease parcel or unleased parcel at Blunt Reservoir or Pierre Canal, as the case may be.

(B) PRIORITY.—The right to exchange nonpreferential lease parcels or unleased parcels shall be granted in the following order of priority:

(i) Exchanges with current lessees for nonpreferential lease parcels.

(ii) Exchanges with adjoining and adjacent landowners for unleased parcels and nonpreferential lease parcels not exchanged by current lessees.

(C) EASEMENT FOR WATER CONVEYANCE STRUCTURE.—As a condition of the exchange of land of the Pierre Canal Feature under this paragraph, the United States reserves a perpetual easement to the land to allow for the right to design, construct, operate, maintain, repair, and replace a pipeline or other water conveyance structure over, under, across, or through the Pierre Canal Feature.

(g) RELEASE FROM LIABILITY.—

(1) IN GENERAL.—Effective on the date of conveyance of any parcel under this Act, the United States shall not be held liable by any court for damages of any kind arising out of any act, omission, or occurrence relating to the parcel, except for damages for acts of negligence committed by the United States or by an employee, agent, or contractor of the United States, before the date of conveyance.

(2) NO ADDITIONAL LIABILITY.—Nothing in this section adds to any liability that the United States may have under chapter 171 of title 28, United States Code (commonly known as the ''Federal Tort Claims Act'').

(h) REQUIREMENTS CONCERNING CONVEYANCE OF LEASE PARCELS.—

(1) INTERIM REQUIREMENTS.—During the period beginning on the date of enactment of this Act and ending on the date of conveyance of the parcel, the Secretary shall continue to lease each preferential lease parcel or nonpreferential lease parcel to be conveyed under this section under the terms and conditions applicable to the parcel on the date of enactment of this Act.

(2) PROVISION OF PARCEL DESCRIPTIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall provide the State a full legal description of all preferential lease parcels and nonpreferential lease parcels that may be conveyed under this section.

(i) FUNDING OF THE SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND.—Section 603(b) of the Water Resources Development Act of 1999 (113 Stat. 388) is amended by striking ''$108,000,000'' and inserting ''$111,095,000''.

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this Act $750,000.

By Mr. CONRAD (for himself, Mr. THOMAS, Mr. DASCHLE, Mr. ROBERTS, Mr. JOHNSON, Mr. JEFFORDS, Mr. CRAPO, Mr. ROCKEFELLER, Mr. HARKIN, Mr. DORGAN, Mr. WELLSTONE, Mr. BOND, Mr. HELMS, Mr. COCHRAN, Mr. EDWARDS, Mr. HUTCHINSON, Mr. DOMENICI, Mr. BURNS, Mr. BINGAMAN, and Mrs. LINCOLN):

S. 1030. A bill to improve health care in rural areas by amending title XVIII of the Social Security Act and the Public Health Service Act, and for other purposes; to the Committee on Finance.

Mr. CONRAD. Mr. President, today, I am introducing the Rural Health Improvement Act of 2001. This proposal is the result of a bipartisan and bicameral effort. I am proud to be joined by Senator THOMAS the lead cosponsor

of the bill, along with Senators DASCHLE, ROBERTS, JOHNSON, LINCOLN, JEFFORDS, CRAPO, ROCKEFELLER, HARKIN, DORGAN, WELLSTONE, BOND, HELMS, COCHRAN, EDWARDS, HUTCHINSON, DOMENICI, BURNS, and BINGAMAN. I would also like to thank our House companions, led by Representatives MORAN and MCINTYRE.

In addition, I would like to thank the National Rural Health Association, the Federation of American Hospitals, the National Association of Rural Health Clinics, the American Hospital Association, and the College of American Pathologists for their support of this effort.

Working together, I believe we are taking important steps toward improving access to health care in our rural communities.

Rural health care providers are often forced to operate with significantly fewer resources than larger, urban facilities. In my State of North Dakota, rural hospitals often receive only half the Medicare reimbursement of their urban counterparts. For example, a rural facility in North Dakota receives approximately $4,200 for treating pneumonia, while Our Lady of Mercy in New York city receives more than $8,500.

This funding disparity is simply unfair and has placed many rural providers on shaky ground. And in my State, if these facilities close, rural communities will be left without access to needed health care services. We simply cannot allow this to happen.

According to the Medicare Payment Advisory Commission, MedPAC, continued funding shortfalls have resulted in rural providers having much tighter Medicare margins than their urban counterparts. Today, the average rural hospital operates with a slim 4.1 percent inpatient margin, compared to 13.5 percent for urban providers.

When you look at overall Medicare margins, the situation is even more bleak, rural providers are working with an average negative 2.9 percent Medicare margin compared to 6.9 percent for urban hospitals. Our rural facilities cannot continue to provide high-quality services it they lose nearly 3 percent on every Medicare patient they serve.

To address these problems, the bill I am introducing today would take three important steps to erase inequities in the Medicare inpatient hospital payment system and provide new resources to rural health care providers.

As you know, it is nearly impossible for hospitals serving small, rural areas to take advantage of economies of scale realized by facilities located in larger communities. This problem is compounded by the fact that Medicare does not adequately account for the higher costs of serving low-volume populations. According to MedPAC, the result of these factors is that the majority of small facilities operate in the red.

To ensure our smallest rural hospitals can keep their doors open, the Rural Health Care Improvement Act would provide a new, and much needed, extra payment to hospitals serving fewer than 800 patients per year. This new low-volume adjustment payment would provide up to 25 percent in additional funding to help rural providers cover inpatient hospital services.

Second, this proposal would close the gap in payments hospitals receive for serving low-income patients. Today, hospitals are provided special payments to help cover the costs of serving the uninsured; these supplements are called disproportionate share payments, DSH. The problem is that under current law urban providers can receive unlimited DSH payments, while rural providers' add-ons are capped. There is no sound policy reason for this disparity. My bill closes this gap by allowing rural providers to also receive unlimited DSH payments.

Third, this proposal would take steps to equalize another glaring Medicare disparity with no policy justification that provides larger hospitals a base payment amount 1.6 percent higher than rural hospitals. The Rural Health Care Improvement Act would address this disparity by increasing the rural hospital base payment amount to the level urban providers receive.

I am happy to say that these improvements to Medicare's inpatient hospital reimbursement, combined with our rural health care efforts from last year, would significantly reduce the rural/urban payment gap by increasing rural providers' Medicare margins to approximately 11.8 percent. In total, these changes would place our rural hospitals on much sounder financial footing.

In addition to Medicare changes, the Rural Health Care Improvement Act would also establish three new rural health care programs.

Our legislation would allow hospitals to apply for up to $5 million to help cover the cots of repairing crumbling buildings. It is my hope these resources will help strengthen the infrastructure of our nation's rural hospitals.

In addition, our proposal would make $100,000 per facility available to help rural hospitals update or purchase new technology. Often, with limited budgets, rural hospitals cannot afford to buy quality, up-to-date medical tools. This new program ensures rural citizens have access to modern and safe health care services.

Third, our bill would provide funding to help establish Telehealth Resource Centers. Today, larger telehealth networks often work with fledgling networks to provide technical assistance. This grant program would provide new resources to support this collaboration and further expand telehealth services into the most remote, rural communities.

Finally, the Rural Health Care Improvement Act also takes important steps to strengthen rural health clinics, RHCs. Today, there are more than 3,300 RHCs nationwide that provide health care to thousands of rural residents. However, while we recognize the importance of these clinics, we also know that more than 50 percent of RHCs are being significantly underpaid for their services, according to recent data. My bill addresses this funding shortfall by increasing rural health clinic payments by 25 percent.

Thank you again to my Senate and House colleagues, as well as the organizations who worked with us, for your cooperation in developing this important health care proposal. It is my hope that this legislation will help to strengthen and sustain our nation's rural health care system.

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

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

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Rural Health Care Improvement Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—RURAL MEDICARE REFORMS

Sec. 101. Medicare inpatient payment adjustment for low-volume hospitals.

Sec. 102. Fairness in the medicare disproportionate share hospital (DSH) adjustment for rural hospitals.

Sec. 103. Establishing a single standardized amount under the medicare inpatient hospital PPS.

Sec. 104. Hospital geographic reclassification for labor costs for all items and services reimbursed under medicare prospective payment systems.

Sec. 105. Treatment of certain physician pathology services under medicare.

Sec. 106. One-time opportunity of critical access hospitals to return to the medicare inpatient hospital PPS.

TITLE II—RURAL GRANT AND LOAN PROGRAMS FOR INFRASTRUCTURE, TECHNOLOGY, AND TELEHEALTH

Sec. 201. Capital infrastructure revolving loan program.

Sec. 202. High technology acquisition grant and loan program.

Sec. 203. Establishment of telehealth resource centers.

TITLE III—RURAL HEALTH CLINIC IMPROVEMENTS

Sec. 301. Improvement in rural health clinic reimbursement under medicare.

Sec. 302. Exclusion of certain rural health clinic and Federally qualified health center services from the medicare PPS for skilled nursing facilities.

TITLE I—RURAL MEDICARE REFORMS

SEC. 101. MEDICARE INPATIENT PAYMENT ADJUSTMENT FOR LOW-VOLUME HOSPITALS.

Section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) is amended by adding at the end the following new paragraph:

''(12) PAYMENT ADJUSTMENT FOR LOW-VOLUME HOSPITALS.—

''(A) PAYMENT ADJUSTMENT.—

''(i) IN GENERAL.—Notwithstanding any other provision of this section, for each cost reporting period (beginning with the cost reporting period that begins in fiscal year 2002), the Secretary shall provide for an additional payment amount to each low-volume hospital (as defined in clause (iii)) for discharges occurring during that cost reporting period to increase the amount paid to such hospital under this section for such discharges by the applicable percentage increase determined under clause (ii).

''(ii) APPLICABLE PERCENTAGE INCREASE.—The Secretary shall determine a percentage increase applicable under this paragraph that ensures that—

''(I) no percentage increase in payments under this paragraph exceeds 25 percent of the amount of payment that would otherwise be made to a low-volume hospital under this section for each discharge (but for this paragraph);

''(II) low-volume hospitals that have the lowest number of discharges during a cost reporting period receive the highest percentage increase in payments due to the application of this paragraph; and

''(III) the percentage increase in payments due to the application of this paragraph is reduced as the number of discharges per cost reporting period increases.

''(iii) LOW-VOLUME HOSPITAL DEFINED.—For purposes of this paragraph, the term 'low-volume hospital' means, for a cost reporting period, a subsection (d) hospital (as defined in paragraph (1)(B)) other than a critical access hospital (as defined in section 1861(mm)(1)) that—

''(I) the Secretary determines—

''(aa) had an average of less than 800 discharges during the 3 most recent cost reporting periods for which data are available that precede the cost reporting period to which this paragraph applies; and

''(bb) is located at least 15 miles from a similar hospital; or

''(II) the Secretary deems meets the requirements of subclause (I) by reason of such factors as the Secretary determines appropriate, including the time required for an individual to travel to the nearest alternative source of appropriate inpatient care (taking into account the location of such alternative source of inpatient care and any weather or travel conditions that may affect such travel time).

''(B) PROHIBITING CERTAIN REDUCTIONS.—Notwithstanding subsection (e), the Secretary shall not reduce the payment amounts under this section to offset the increase in payments resulting from the application of subparagraph (A).''.

SEC. 102. FAIRNESS IN THE MEDICARE DISPROPORTIONATE SHARE HOSPITAL (DSH) ADJUSTMENT FOR RURAL HOSPITALS.

(a) EQUALIZING DSH PAYMENT AMOUNTS.—

(1) IN GENERAL.—Section 1886(d)(5)(F)(vii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(vii)) is amended by inserting '', and, after October 1, 2001, for any other hospital described in clause (iv),'' after ''clause (iv)(I)''.

(2) CONFORMING AMENDMENTS.—Section 1886(d)(5)(F) of such Act (42 U.S.C. 1395ww(d)(5)(F)), as amended by section 211 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–483), as enacted into law by section 1(a)(6) of Public Law 106–554, is amended—

(A) in clause (iv)—

(i) in subclause (II), by inserting ''or, for discharges occurring on or after October 1, 2001, is equal to the percent determined in accordance with the applicable formula described in clause (vii)'' after ''clause (xiii)'';

(ii) in subclause (III), by inserting ''or, for discharges occurring on or after October 1, 2001, is equal to the percent determined in accordance with the applicable formula described in clause (vii)'' after ''clause (xii)'';

(iii) in subclause (IV), by inserting ''or, for discharges occurring on or after October 1, 2001, is equal to the percent determined in accordance with the applicable formula described in clause (vii)'' after ''clause (x) or (xi)'';

(iv) in subclause (V), by inserting ''or, for discharges occurring on or after October 1, 2001, is equal to the percent determined in accordance with the applicable formula described in clause (vii)'' after ''clause (xi)''; and

(v) in subclause (VI), by inserting ''or, for discharges occurring on or after October 1, 2001, is equal to the percent determined in accordance with the applicable formula described in clause (vii)'' after ''clause (x)'';

(B) in clause (viii), by striking ''The formula'' and inserting ''For discharges occurring before October 1, 2001, the formula''; and

(C) in each of clauses (x), (xi), (xii), and (xiii), by striking ''For purposes'' and inserting ''With respect to discharges occurring before October 1, 2001, for purposes''.

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

SEC. 103. ESTABLISHING A SINGLE STANDARDIZED AMOUNT UNDER THE MEDICARE INPATIENT HOSPITAL PPS.

(a) IN GENERAL.—Section 1886(d)(3)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(A)) is amended—

(1) in clause (iv), by inserting ''and ending on or before September 30, 2001,'' after ''October 1, 1995,''; and

(2) by redesignating clauses (v) and (vi) as clauses (vii) and (viii), respectively, and inserting after clause (iv) the following new clauses:

''(v) For discharges occurring in the fiscal year beginning on October 1, 2001, the average standardized amount for hospitals located in areas other than a large urban area shall be equal to the average standardized amount for hospitals located in a large urban area.

''(vi) For discharges occurring in a fiscal year beginning on or after October 1, 2002, the Secretary shall compute an average standardized amount for hospitals located in all areas within the United States equal to the average standardized amount computed under clause (v) or this clause for the previous fiscal year increased by the applicable percentage increase under subsection (b)(3)(B)(i) for the fiscal year involved.''.

(b) CONFORMING AMENDMENTS.—

(1) UPDATE FACTOR.—Section 1886(b)(3)(B)(i)(XVII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XVII)) is amended by striking ''for hospitals in all areas,'' and inserting ''for hospitals located in a large urban area,''.

(2) COMPUTING DRG-SPECIFIC RATES.—

(A) IN GENERAL.—Section 1886(d)(3)(D) of such Act (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(i) in the heading, by striking ''IN DIFFERENT AREAS'';

(ii) in the matter preceding clause (i)—

(I) by inserting '', for fiscal years before fiscal year 1997,'' before ''a regional DRG prospective payment rate for each region,''; and

(II) by striking ''each of which is'';

(iii) in clause (i)—

(I) in the matter preceding subclause (I), by inserting ''for fiscal years before fiscal year 2002,'' before ''for hospitals''; and

(II) in subclause (II), by striking ''and'' after the semicolon at the end;

(iv) in clause (ii)—

(I) in the matter preceding subclause (I), by inserting ''for fiscal years before fiscal year 2002,'' before ''for hospitals''; and

(II) in subclause (II), by striking the period at the end and inserting ''; and''; and

(v) by adding at the end the following new clause:

''(iii) for a fiscal year beginning after fiscal year 2001, for hospitals located in all areas, to the product of—

''(I) the applicable average standardized amount (computed under subparagraph (A)), reduced under subparagraph (B), and adjusted or reduced under subparagraph (C) for the fiscal year; and

''(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.''.

(B) TECHNICAL CONFORMING SUNSET.—Section 1886(d)(3) of such Act (42 U.S.C. 1395ww(d)(3)) is amended in the matter preceding subparagraph (A), by inserting '', for fiscal years before fiscal year 1997,'' before ''a regional adjusted DRG prospective payment rate''.

SEC. 104. HOSPITAL GEOGRAPHIC RECLASSIFICATION FOR LABOR COSTS FOR ALL ITEMS AND SERVICES REIMBURSED UNDER MEDICARE PROSPECTIVE PAYMENT SYSTEMS.

Section 1886(d)(10)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(10)(D)), as amended by section 304(a) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–494), as enacted into law by section 1(a)(6) of Public Law 106–554, is amended by adding at the end the following new clause:

''(vii)(I) Any decision of the Board to reclassify a subsection (d) hospital for purposes of the adjustment factor described in subparagraph (C)(i)(II) for fiscal year 2001 or any fiscal year thereafter shall apply for purposes of adjusting payments for variations in costs that are attributable to wages and wage-related costs for PPS-reimbursed items and services.

''(II) For purposes of subclause (I), the term 'PPS-reimbursed items and services' means, for the fiscal year for which the Board has made a decision described in such subclause, each item and service for which payment is made under this title on a prospective basis and adjusted for variations in costs that are attributable to wages or wage-related costs that is furnished by the hospital to which such decision applies, or by a provider-based entity or department of that hospital (as determined by the Secretary).''.

SEC. 105. TREATMENT OF CERTAIN PHYSICIAN PATHOLOGY SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1848(i) of the Social Security Act (42 U.S.C. 1395w–4(i)) is amended by adding at the end the following new paragraph:

''(4) TREATMENT OF CERTAIN PHYSICIAN PATHOLOGY SERVICES.—

''(A) IN GENERAL.—With respect to services furnished on or after January 1, 2001, if an independent laboratory furnishes the technical component of a physician pathology service to a fee-for-service medicare beneficiary who is an inpatient or outpatient of a covered hospital, the Secretary shall treat such component as a service for which payment shall be made to the laboratory under this section and not as an inpatient hospital service for which payment is made to the hospital under section 1886(d) or as a hospital outpatient service for which payment is made to the hospital under section 1834(t).

''(B) DEFINITIONS.—In this paragraph:

''(i) COVERED HOSPITAL.—

''(I) IN GENERAL.—The term 'covered hospital' means, with respect to an inpatient or outpatient, a hospital that had an arrangement with an independent laboratory that

was in effect as of July 22, 1999, under which a laboratory furnished the technical component of physician pathology services to fee-for-service medicare beneficiaries who were hospital inpatients or outpatients, respectively, and submitted claims for payment for such component to a carrier with a contract under section 1842 and not to the hospital.

''(II) CHANGE IN OWNERSHIP DOES NOT AFFECT DETERMINATION.—A change in ownership with respect to a hospital on or after the date referred to in subclause (I) shall not affect the determination of whether such hospital is a covered hospital for purposes of such subclause.

''(ii) FEE-FOR-SERVICE MEDICARE BENEFICIARY.—The term 'fee-for-service medicare beneficiary' means an individual who is entitled to benefits under part A, or enrolled under this part, or both, but who is not enrolled in any of the following:

''(I) A Medicare+Choice plan under part C.

''(II) A plan offered by an eligible organization under section 1876.

''(III) A program of all-inclusive care for the elderly (PACE) under section 1894.

''(IV) A social health maintenance organization (SHMO) demonstration project established under section 4018(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203).''.

(b) CONFORMING AMENDMENT.—Section 542 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–550), as enacted into law by section 1(a)(6) of Public Law 106–554, is repealed.

(c) EFFECTIVE DATES.—The amendments made by this section shall take effect as if included in the enactment of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (114 Stat. 2763A–463 et seq.), as enacted into law by section 1(a)(6) of Public Law 106–554.

SEC. 106. ONE-TIME OPPORTUNITY OF CRITICAL ACCESS HOSPITALS TO RETURN TO THE MEDICARE INPATIENT HOSPITAL PPS.

(a) IN GENERAL.—Notwithstanding section 1814(*l*) of the Social Security Act (42 U.S.C. 1395f(*l*)), the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall pay each critical access hospital having an application approved under subsection (b)(2) under the prospective payment system for inpatient hospital services under section 1886(d) of such Act (42 U.S.C. 1395ww(d)) rather than under such section 1814(*l*).

(b) ONE-TIME APPLICATION AND APPROVAL.—

(1) APPLICATION.—Not later than the date that is 6 months after the date of enactment of this Act, each eligible critical access hospital (as defined in subsection (c)) that desires to receive payment under the prospective payment system for inpatient hospital services under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) instead of receiving payment of the reasonable costs for such services under section 1814(*l*) of such Act (42 U.S.C. 1395f(*l*)) shall submit an application to the Secretary in such manner and containing such information as the Secretary may require.

(2) APPROVAL.—Not later than the date that is 3 months after the date on which the Secretary receives the application submitted under paragraph (1), the Secretary shall approve or deny the application.

(c) ELIGIBLE CRITICAL ACCESS HOSPITAL DEFINED.—In this section, the term ''eligible critical access hospital'' means a critical access hospital (as defined in section 1861(mm)(1) of the Social Security Act (42 U.S.C. 1395x(mm)(1))) that received payments under the prospective payment system for inpatient hospital services under section 1886(d) of such Act (42 U.S.C. 1395ww(d)) prior to its designation as a critical access hospital under section 1820(c)(2) of such Act (42 U.S.C. 1395i–4(c)(2)).

TITLE II—RURAL GRANT AND LOAN PROGRAMS FOR INFRASTRUCTURE, TECHNOLOGY, AND TELEHEALTH

SEC. 201. CAPITAL INFRASTRUCTURE REVOLVING LOAN PROGRAM.

(a) IN GENERAL.—Part A of title XVI of the Public Health Service Act (42 U.S.C. 300q et seq.) is amended by adding at the end the following new section:

''CAPITAL INFRASTRUCTURE REVOLVING LOAN PROGRAM

''SEC. 1603. (a) AUTHORITY TO MAKE AND GUARANTEE LOANS.—

''(1) AUTHORITY TO MAKE LOANS.—The Secretary may make loans from the fund established under section 1602(d) to any rural entity for projects for capital improvements, including—

''(A) the acquisition of land necessary for the capital improvements;

''(B) the renovation or modernization of any building;

''(C) the acquisition or repair of fixed or major movable equipment; and

''(D) such other project expenses as the Secretary determines appropriate.

''(2) AUTHORITY TO GUARANTEE LOANS.—

''(A) IN GENERAL.—The Secretary may guarantee the payment of principal and interest for loans made to rural entities for projects for any capital improvement described in paragraph (1) to any non-Federal lender.

''(B) INTEREST SUBSIDIES.—In the case of a guarantee of any loan made to a rural entity under subparagraph (A), the Secretary may pay to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by not more than 3 percent of the net effective interest rate otherwise payable on such loan.

''(b) AMOUNT OF LOAN.—The principal amount of a loan directly made or guaranteed under subsection (a) for a project for capital improvement may not exceed $5,000,000.

''(c) FUNDING LIMITATIONS.—

''(1) GOVERNMENT CREDIT SUBSIDY EXPOSURE.—The total of the Government credit subsidy exposure under the Credit Reform Act of 1990 scoring protocol with respect to the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, under subsection (a) may not exceed $50,000,000 per year.

''(2) TOTAL AMOUNTS.—Subject to paragraph (1), the total of the principal amount of all loans directly made or guaranteed under subsection (a) may not exceed $250,000,000 per year.

''(d) CAPITAL ASSESSMENT AND PLANNING GRANTS.—

''(1) NONREPAYABLE GRANTS.—Subject to paragraph (2), the Secretary may make a grant to a rural entity, in an amount not to exceed $50,000, for purposes of capital assessment and business planning.

''(2) LIMITATION.—The cumulative total of grants awarded under this subsection may not exceed $2,500,000 per year.

''(e) TERMINATION OF AUTHORITY.—The Secretary may not directly make or guarantee any loan under subsection (a) or make a grant under subsection (d) after September 30, 2006.''.

(b) RURAL ENTITY DEFINED.—Section 1624 of the Public Health Service Act (42 U.S.C. 300s–3) is amended by adding at the end the following new paragraph:

''(15)(A) The term 'rural entity' includes—

''(i) a rural health clinic, as defined in section 1861(aa)(2) of the Social Security Act;

''(ii) any medical facility with at least 1, but less than 50 beds that is located in—

''(I) a county that is not part of a metropolitan statistical area; or

''(II) a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725));

''(iii) a hospital that is classified as a rural, regional, or national referral center under section 1886(d)(5)(C) of the Social Security Act; and

''(iv) a hospital that is a sole community hospital (as defined in section 1886(d)(5)(D)(iii) of the Social Security Act).

''(B) For purposes of subparagraph (A), the fact that a clinic, facility, or hospital has been geographically reclassified under the medicare program under title XVIII of the Social Security Act shall not preclude a hospital from being considered a rural entity under clause (i) or (ii) of subparagraph (A).''.

(c) CONFORMING AMENDMENTS.—Section 1602 of the Public Health Service Act (42 U.S.C. 300q–2) is amended—

(1) in subsection (b)(2)(D), by inserting ''or 1603(a)(2)(B)'' after ''1601(a)(2)(B)''; and

(2) in subsection (d)—

(A) in paragraph (1)(C), by striking ''section 1601(a)(2)(B)'' and inserting ''sections 1601(a)(2)(B) and 1603(a)(2)(B)''; and

(B) in paragraph (2)(A), by inserting ''or 1603(a)(2)(B)'' after ''1601(a)(2)(B)''.

SEC. 202. HIGH TECHNOLOGY ACQUISITION GRANT AND LOAN PROGRAM.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 241 et seq.), as amended by section 1501 of the Children's Health Act of 2000 (Public Law 106–310; 114 Stat. 1146), is amended by adding at the end the following section:

''SEC. 330I. HIGH TECHNOLOGY ACQUISITION GRANT AND LOAN PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary, acting through the Director of the Office of Rural Health Policy of the Health Resources and Services Administration, shall establish a high technology acquisition grant and loan program for the purpose of—

''(1) improving the quality of health care in rural areas through the acquisition of advanced medical technology;

''(2) fostering the development of the networks described in section 330A;

''(3) promoting resource sharing between urban and rural facilities; and

''(4) improving patient safety and outcomes through the acquisition of high technology, including software, information services, and staff training.

''(b) GRANTS AND LOANS.—Under the program established under subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants and make loans to any eligible entity (as defined in subsection (d)(1)) for any costs incurred by the eligible entity in acquiring eligible equipment and services (as defined in subsection (d)(2)).

''(c) LIMITATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), the total amount of grants and loans made under this section to an eligible entity may not exceed $100,000.

''(2) FEDERAL SHARING.—

''(A) GRANTS.—The amount of any grant awarded under this section may not exceed 70 percent of the costs to the eligible entity in acquiring eligible equipment and services.

''(B) LOANS.—The amount of any loan made under this section may not exceed 90 percent of the costs to the eligible entity in acquiring eligible equipment and services.

''(d) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means a hospital, health center, or any other entity that the Secretary determines is appropriate that is located in a rural area or region.

''(2) ELIGIBLE EQUIPMENT AND SERVICES.—The term 'eligible equipment and services' includes—

''(A) unit dose distribution systems;

''(B) software, information services, and staff training;

''(C) wireless devices to transmit medical orders;

''(D) clinical health care informatics systems, including bar code systems designed to avoid medication errors and patient tracking systems;

''(E) telemedicine technology; and

''(F) any other technology that improves the quality of health care provided in rural areas including systems to improve privacy and address administrative simplification needs.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2007.''.

SEC. 203. ESTABLISHMENT OF TELEHEALTH RESOURCE CENTERS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.), as amended by section 202, is amended by adding at the end the following:

''SEC. 330J. TELEHEALTH RESOURCE CENTERS.

''(a) PROGRAM AUTHORIZED.—The Secretary, acting through the Director of the Office for the Advancement of Telehealth of the Health Resources and Services Administration, shall award grants to eligible entities to establish telehealth resource centers in accordance with this section.

''(b) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means a public or nonprofit private entity.

''(2) TELEHEALTH.—The term 'telehealth' means the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health, and health administration.

''(c) AMOUNT.—Each entity that receives a grant under subsection (a) shall receive an amount not to exceed $1,500,000.

''(d) EQUITABLE DISTRIBUTION.—In awarding grants under subsection (a), the Secretary shall ensure, to the greatest extent possible, that such grants are equitably distributed among the geographical regions of the United States.

''(e) PREFERENCE.—In awarding grants under subsection (a), the Secretary shall give preference to eligible entities that have a demonstrated record of providing or supporting the provision of health care services for populations in rural areas.

''(f) USE OF FUNDS.—An entity that receives a grant under subsection (a) shall use funds from such grant to establish a telehealth resource center that shall—

''(1) provide technical assistance, training, and support to health care providers and a range of health care entities that provide or will provide telehealth services for a medically underserved community, including hospitals, ambulatory care entities, long-term care facilities, public health clinics, and schools;

''(2) provide for the dissemination of information and research findings related to the use of telehealth technologies;

''(3) provide for the dissemination of information regarding the latest developments in health care;

''(4) conduct evaluations to determine the best application of telehealth technologies to meet the health care needs of the medically underserved community;

''(5) promote the integration of clinical information systems with other telehealth technologies;

''(6) foster the use of telehealth technologies to provide health care information and education for health care professionals and consumers in a more effective manner; and

''(7) provide timely and appropriate evaluations to the Office for the Advancement of Telehealth on lessons learned and best telehealth practices in any areas served.

''(g) COLLABORATION.—In providing the services described in subsection (f)(5), such entity shall collaborate, if feasible, with private and public organizations and centers or programs that receive Federal assistance and provide telehealth services.

''(h) APPLICATION.—An entity that desires a grant under subsection (a) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(1) a description of the manner in which the entity shall establish and administer a telehealth resource center to meet the requirements of this subsection; and

''(2) a description of the manner in which the activities carried out by such center will meet the health care needs of individuals in rural communities.

''(i) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary shall submit to the appropriate committees of Congress a report on each activity funded with a grant under this section.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) for fiscal year 2002, $30,000,000; and

''(2) for fiscal years 2003 through 2008, such sums as may be necessary.''.

TITLE III—RURAL HEALTH CLINIC IMPROVEMENTS

SEC. 301. IMPROVEMENT IN RURAL HEALTH CLINIC REIMBURSEMENT UNDER MEDICARE.

Section 1833(f) of the Social Security Act (42 U.S.C. 1395*l*(f)) is amended—

(1) in paragraph (1), by striking '', and'' at the end and inserting a semicolon;

(2) in paragraph (2)—

(A) by striking ''in a subsequent year'' and inserting ''in 1989 through 2001''; and

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

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

''(3) in 2002, at $79 per visit; and

''(4) in a subsequent year, at the limit established under this subsection for the previous year increased by the percentage increase in the MEI (as so defined) applicable to primary care services (as so defined) furnished as of the first day of that year.''.

SEC. 302. EXCLUSION OF CERTAIN RURAL HEALTH CLINIC AND FEDERALLY QUALIFIED HEALTH CENTER SERVICES FROM THE MEDICARE PPS FOR SKILLED NURSING FACILITIES.

(a) IN GENERAL.—Section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)) is amended—

(1) in paragraph (2)(A)(i)(II), by striking ''clauses (ii) and (iii)'' and inserting ''clauses (ii), (iii), and (iv)''; and

(2) by adding at the end of paragraph (2)(A) the following new clause:

''(iv) EXCLUSION OF CERTAIN RURAL HEALTH CLINIC AND FEDERALLY QUALIFIED HEALTH CENTER SERVICES.—Services described in this clause are—

''(I) rural health clinic services (as defined in paragraph (1) of section 1861(aa)); and

''(II) Federally qualified health center services (as defined in paragraph (3) of such section);

that would be described in clause (ii) if such services were not furnished by an individual affiliated with a rural health clinic or a Federally qualified health center.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 2002.

Mr. THOMAS. Mr. President, I am pleased to rise today to introduce the Rural Health Care Improvement Act of 2001 with Senator CONRAD and fellow Senate Rural Health Caucus members Senators ROBERTS, JOHNSON, HELMS, DORGAN, DOMENICI, DASCHLE, CRAPO, BINGAMAN, BOND, LINCOLN, COCHRAN, WELLSTONE, BURNS, ROCKEFELLER, HUTCHINSON, EDWARDS, HARKIN, and JEFFORDS. As always, it is important to note that rural health care legislation has a long history of bipartisan collaboration and cooperation.

I want to thank the National Rural Health Association, the Federation of American Hospitals, the National Association of Rural Health Clinics, the American Hospital Association and the College of American Pathologists for their work and support in this effort.

The Rural Health Care Improvement Act of 2001 will go a long way in addressing current inequities in the Medicare payment system that continually place rural providers at a disadvantage. This legislation recognizes the unique needs of rural hospitals and levels the playing field between rural and urban providers.

First, the bill equalizes Medicare Disproportionate Share Hospital, DSH, payments. These add-on payments help hospitals cover the costs of serving a high proportion of low-income and uninsured patients. While urban facilities can receive unlimited add-ons corresponding with the amount of these types of patients served, rural add-on payments are capped at 5.25 percent. The ''Rural Health Care Improvement Act of 2001'' eliminates the rural hospital cap, bringing their payments in line with the benefits urban facilities receive.

Second, this legislation closes the gap between urban and rural ''standardized payment'' levels. Inpatient hospital payments are calculated by multiplying several different factors, including a standardized payment amount. Under current law, hospitals located in cities with a population over 1 million receive a base payment amount 1.3 percent higher than those serving smaller populations, $4,130 vs. $4,197. This disparity is corrected in our bill by bringing the rural base payment up to the urban payment level.

Third, the bill recognizes that low-volume hospitals have a higher cost per case, which results in negative operating margins. To address this problem, the Rural Health Care Improvement Act of 2001 establishes a low-volume inpatient payment adjustment for hospitals that have less than 800 annual discharges per year and are located more than 15 miles from another

hospital. This provision will improve payments for approximately 900 rural facilities nationwide, which is just over one-third of all rural hospitals.

In addition to these Medicare payment reforms, this legislation strengthens the over 3,000 rural health clinics that serve many rural Americans. Under current law, rural health clinics receive an all-inclusive payment rate that is capped at approximately $63. This payment has not been adjusted, except for inflation, since 1988. To recognize the rising costs of health care this bill raises the rural health clinic cap to $79.

Certain provider services, such as those offered by physicians, nurse practitioners, physician assistants, and qualified psychologists are excluded from the consolidated payments made to skilled nursing facilities, SNFs, under the prospective payment system. However, the same services provided to SNFs by physicians and other providers employed by rural health clinics and federally qualified health centers are not excluded from the consolidated SNF payment. This bill includes a provision that ensures skilled nursing services, offered by rural health clinic and qualified health center providers, will receive the same payment treatment as services offered by providers employed in other settings.

It is time for the Federal Government to recognize that the ''one payment system does not fit all.'' Rural providers care for patients under different circumstances than their urban counterparts and the Rural Health Care Improvement Act of 2001 ensures that rural hospitals, rural health clinics and qualified health centers are paid accurately and fairly. I strongly encourage all my colleagues with an interest in rural health to cosponsor this legislation.

Mr. BURNS. Mr. President, I rise today to detail my support of the Rural Health Care Improvement Act of 2001, which was introduced today by Senator CONRAD and is cosponsored by myself and a number of my colleagues from rural States across this Nation.

The Rural Health Care Improvement Act of 2001 will increase payments for low-volume hospitals, equalize Medicare Disproportionate Share, DSH, payments, close the gap between urban and rural ''standardized payment'' levels, streamline wage index re-classification, ensure rural communities access to independent lab services, provide grant and loan programs for infrastructure and technology improvement projects, and strengthen rural health clinics.

Those of us from rural and frontier areas recognize that rural health care is in a state of crisis. Through mismanagement of Medicare reimbursement policies and an unwillingness to truly evaluate the obstacles inherent in providing quality health care in rural areas, we have allowed rural health care to reach the brink of complete breakdown. The Rural Health Care Improvement Act of 2001 will go a long way towards rectifying this dire situation.

The investments through the Rural Health Care Improvement Act of 2001 will address the kernel problem of health care in America. Next week the Senate will engage in a healthy debate about patients' rights legislation and it is likely that Congress will tackle Medicare reform within the near future as well. These arguments will be academic for many of my constituents if rural hospitals, clinics, and other providers across my State can no longer afford to serve their communities.

By passing the Rural Health Care Improvement Act of 2001, we can defuse the time bomb which is rural America's health care crisis. I urge each of my colleagues to consider this legislation carefully and hope for its prompt passage.

By Mr. FRIST (for himself, Mr. KERRY, Mr. HELMS, Mr. LEAHY, Mr. DURBIN, and Mr. CHAFEE):

S. 1032. A bill to expand assistance to countries seriously affected by HIV/AIDS, malaria, and tuberculosis; to the Committee on Foreign Relations.

Mr. FRIST. Mr. President, I have spoken several times over the last few months on what many consider to be the most pressing moral, humanitarian and public health crisis of modern times, the worldwide epidemic of HIV/AIDS. I have previously gone into great detail about the impact of the disease on families, communities, economies, and regional stability.

Sometimes we feel overwhelmed by the enormity of insolvable problems. We become inured to the tragedy, and look for problems we can more easily solve. But we must not turn away from the world-wide devastation of HIV/AIDS. Just consider this: right now, 36 million people are infected with HIV/AIDS a fatal infectious disease, mostly in developing countries. That number is more than the total combined populations of Virginia, Massachusetts, Tennessee, Maryland, Kentucky, Connecticut, New Mexico, Vermont and Nebraska. As of today, AIDS have orphaned 13 million children, more than the entire population of Illinois.

Compounding this burden, over 8 million people acquire tuberculosis each year, and 500 million more get malaria, both diseases that disproportionately affect the poorest countries. Frequently forgotten, malaria still kills a child every 40 seconds. Remember the horrific links between HIV/AIDS, TB and malaria. If you have AIDS you are much more likely to contract TB, and TB has become the greatest killer of those with AIDS. Similarly, if a person with HIV/AIDS contracts malaria, that person is more likely to die. And infectious diseases such as these cause 25 percent of all the deaths in the world today. But as Americans, we have many reasons to be proud of our response to the challenges.

The U.S. has been a leader in the global battles against AIDS, malaria and TB. This year, we are spending over $460 million on international AIDS assistance alone, not including research. This is approximately half of all the funds being spent on HIV/AIDS from all sources worldwide. In addition, we spend over $250 million on international TB and malaria programs. But we, and the rest of the world, must do more. The U.N. estimates that for basic HIV/AIDS prevention, treatment and care programs in Africa alone, over $3 billion will be required, and at least $5 billion needed if specific anti-AIDS drugs are more widely used.

In Abuja, Nigeria, on April 26, U.N. Secretary General Kofi Annan called for a global ''war chest'' to combat HIV/AIDS, malaria and TB. Few thought that his call would so quickly be answered.

On May 11, just 2 weeks later, Senator LEAHY and I joined Secretary General Kofi Annan and Nigerian President Obasanjo as President Bush announced his intent to contribute $200 million as seed money for a new global fund designed to provide grants for prevention, infrastructure development, care and treatment for AIDS, malaria and TB. And this is to be over and above our already substantial bilateral commitments.

Uniquely, it will be financed jointly by governments and the private sector, and will focus on integrated approaches to turning back, and eventually conquering these scourges. While emphasizing prevention, this new initiative will also seek to develop health infrastructures so necessary to deliver services. Importantly, it will also support science-based care and treatment programs, including provision of drugs, and support for those, such as orphans, who are affected by disease, not just infected by it.

And because of recent action by the pharmaceutical companies to slash prices of AIDS drugs in Africa, for the first time in history, the drugs that revolutionized AIDS care and treatment in the U.S. can become part of a comprehensive prevention and care strategy in many more countries. This global fund is a new idea, it isn't a U.S. fund, or a U.N. fund, or a World Bank fund. However, it builds on last year's landmark work and legislation spearheaded by Congressman JIM LEACH, Congresswoman BARBARA LEE, and Senator JOHN KERRY to establish a multilateral funding mechanism for HIV/AIDS.

A key component of the Global Fund will be the full participation of the private sector, including business, NGOs, foundations and individual citizens. The problem is so large that governments cannot do the work alone. Nongovernmental organizations, both faith-based and secular will be critical in the delivery of prevention and care services and to quickly converting good intentions into practical programs on the ground. And use of the funds will be closely monitored to ensure that good public health and

science drive the programs and intellectual property rights are protected.

The legislation Senators KERRY, HELMS, LEAHY, DURBIN, and I are introducing today authorizes $200 million for fiscal year 2002, and $500 million for fiscal year 2003 to be appropriated for payment to the global trust fund. It will not substitute for, or reduce, resource levels otherwise appropriated for our excellent bilateral and multilateral HIV/AIDS, malaria and TB programs. This will be money well spent, it will save lives, and just as important, it will provide hope to the millions of people around the world who can do so much if given the prospect of a healthy future for themselves and their children.

Since the President was the first to announce our participation in the Global Fund for HIV/AIDS and Other Infectious Diseases, others have stepped up. France announced an initial contribution of $128 million, the United Kingdom has promised $106 million, and Japan is considering a significant commitment in the near future. Of particular interest, Winterthur-Credit Swisse has just announced a $1 million contribution, and others in the global business community are expected to follow. Other companies and foundations are considering financial or in-kind contributions.

Kofi Annan himself has offered $100,000 of his own money for the fund. I have also been told by U.N. Staff in New York that they have received many calls from private citizens asking how they can contribute. One gentleman from Virginia wants to send a check for $600. I have been assured that he and others like him will not have long to wait. A tax-exempt account for donations and toll-free number for information are being created as I speak. I understand that negotiations are underway with United Way to see if it can use its vast outreach to encourage donations. This is terrific news.

Every American, and others throughout the world, should join this fight against the diseases that have too long threatened our children, destroyed families, and undermined economic development of dozens of nations. This is not just government's fight. It is all of our responsibility to conquer HIV/AIDS, malaria and TB and consign them to the waste-bin of history.

Last week I had the opportunity of meeting with a remarkable woman from Atlanta who contracted HIV/AIDS at age 16. Denise Stokes has struggled with the virus for 15 years. She described what it was like spending time in hospital intensive care units and what it was like to not have access to available drugs. She prayed that some day there would be a cure and watched, from the depth of her illness, as policymakers seemed unable to grapple with the public health and personal tragedy that was AIDS. She is now sharing her experiences with churches, college students, community and professional organizations—challenging us to follow her example—to embrace our moral obligation to reach out beyond our selves, our communities and beyond our own country borders to fully battle the infectious diseases that are destroying so many lives on our planet. Denise Stokes' message is one of rising to a challenge, and bringing hope to the sick and their loved ones. All America must rise to this historic challenge and join in sending a message of hope.

By Ms. STABENOW (for herself, Mr. FITZGERALD, Mr. LEVIN, Mr. KOHL, Mr. FEINGOLD, Mr. DAYTON, Mrs. BOXER, Mrs. CLINTON, Mr. DURBIN, Mr. CORZINE, Mr. WELLSTONE, Mr. BAYH, and Mr. CHAFEE):

S. 1033. A bill to amend the Federal Water Pollution Control Act to protect ⅕ of the world's fresh water supply by directing the Administrator of the Environmental Protection Agency to conduct a study on the known and potential environmental effects of oil and gas drilling on land beneath the water in the Great Lakes, and for other purposes, to the Committee on Environment and Public Works.

By Ms. STABENOW (for herself, Mr. FITZGERALD, Mr. LEVIN, Mr. KOHL, Mr. FEINGOLD, Mr. DURBIN, Mr. DAYTON, Mr. WELLSTONE, Mr. DEWINE, Mr. VOINOVICH, Mr. SCHUMER, Mr. BAYH, and Mrs. CLINTON):

S. 1034. A bill to amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to require the Secretary of Transportation to promulgate and review regulations to ensure, to the maximum extent practicable, that vessels entering the Great Lakes do not spread nonindigenous aquatic species, to require treatment of ballast water and its sediments through the most effective and efficient techniques available, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Ms. STABENOW (for herself, Mr. FITZGERALD, Mr. LEVIN, Mr. KOHL, Mr. FEINGOLD, Mr. DAYTON, Mr. SCHUMER, Mr. BAYH, and Mrs. CLINTON):

S. 1035. A bill to establish programs to protect the resources of and areas surrounding the Great Lakes; to the Committee on Banking, Housing, and Urban Affairs.

Ms. STABENOW. Mr. President, I rise today to introduce three bills called the Great Lakes Initiative which are designed to protect the five Great Lakes.

The Great Lakes are one of our Nation's most precious natural resources. They contain one-fifth of the world's fresh water supply and provide safe drinking water to millions of people every day.

The Great Lakes also play a vital role in the economies of the Great Lakes States, including recreation, tourism, commercial shipping, industrial and agriculture. That is why I am introducing legislation today to protect this vital resource for the use, benefit, and enjoyment of present and future generations of Americans.

Three bills make up this new Great Lakes Initiative: (1) the Great Lakes Water Protection Act; (2) the Great Lakes Ecology Protection Act; and (3) the Great Lakes Preservation Act.

The first bill, the Great Lakes Water Protection Act, would protect the Great Lakes from environmentally dangerous oil and gas drilling. I am pleased that this bill has strong bipartisan support in both the House and the Senate, with Senators FITZGERALD, LEVIN, CHAFEE, KOHL, FEINGOLD, DAYTON, CLINTON, DURBIN, WELLSTONE, BAYH, CORZINE, and BOXER as original cosponsors.

The Great Lakes support many fragile coastlines and wetlands. Lake Michigan alone contains over 417 coastal wetlands, the most of any Great Lake. These shorelines are also home to many rare and endangered plant and wildlife species, including the rare piping plover, Michigan monkey flower, Pitcher's thistle, and the dwarf lake iris.

The Great Lakes also play a vital role in the economies of the Great Lakes States. In particular, coastal communities rely heavily on the Great Lake's resources and natural beauty to support tourism and recreation activities. The most recent estimate shows that recreational fishing totaled $1.5 billion in expenditures in Michigan alone.

Drilling in the Great Lakes could expose our valuable fresh water supply to serious contamination, cause serious environmental damage to the water and shoreline of the Great Lakes, and have crippling effects on Great Lakes communities that depend on tourism and recreation for their local economies. The Great Lakes Water Protection Act would prohibit new oil and gas drilling in the Great Lakes.

During the ban, the Environmental Protection Agency and National Academy of Sciences would conduct a two-year study examining the impacts on drilling on the environment, public health, the water supply, and local economies. Once the study is completed, Congress can analyze the results of the study and lift the ban on oil and gas drilling if it deems appropriate.

This bill would also provide $50 million per year for park and shoreline conservation to the Great Lakes States to offset any lost oil royalty revenues during the ban on drilling.

The second bill, Great Lakes Ecology Protection Act, seeks to curb the influx of invasive species into the Great Lakes. I am pleased that this bill also has strong bipartisan support with Senators FITZGERALD, LEVIN, VOINOVICH, KOHL, FEINGOLD, DURBIN, DEWINE, DAYTON, WELLSTONE, SCHUMER, and BAYH as original cosponsors. The bill would

try to stop the importation of invasive species by prohibiting ballast water discharges in the Great Lakes and requiring sophisticated sterilization of ballast water tanks as well. This is based on a bipartisan bill in the House introduced by Congressman HOEKSTRA and Congressman BARCIA.

Invasive species have already damaged the Great Lakes in a number of ways. They have destroyed thousands of fish and threatened clean drinking water.

For example, Lake Michigan once housed the largest self-reproducing lake trout fishery in the entire world. The invasive sea lamprey, which was introduced from ballast water almost 80 years ago, has contributed greatly to the decline of trout and whitefish in the Great Lakes by feeding on and killing native trout species.

Today, lake trout must be stocked because they cannot naturally reproduce in the lake. Many Great Lakes States have had to place severe restrictions on catching yellow perch because invasive species such as the zebra mussel disrupt the Great Lakes' ecosystem and compete with yellow perch for food. The zebra mussel's filtration also increases water clarity, which may be making it easier for predators to prey upon the yellow perch. Moreover, tiny organisms like zooplankton that help form the base of the Great Lakes food chain, have declined due to consumption by exploding populations of zebra mussels.

The Great Lakes Ecology Protection Act would ban ballast water discharges in the Great Lakes. The bill would require ships to discharge ballast water and sterilize the ballast water tanks before entering the Great Lakes to prevent the introduction of any non-indigenous species. The act also would significantly increase funding for invasive species research and ballast water technology, by providing $100 million in research grants over the next five years.

The research grants would encourage collaboration between the colleges and universities, and the shipping industry to help develop new and better ballast water purification technologies.

The third bill, the Great Lakes Preservation Act, would ban dangerous bulk water diversions while the Great Lakes Compact makes recommendations on how specifically to implement appropriate governing standards. This bill also has strong bipartisan support with Senators FITZGERALD, LEVIN, KOHL, FEINGOLD, DAYTON, SCHUMER, and BAYH as original co-sponsors.

Bulk water diversion could become a serious threat to the fresh water supplies of the Great Lakes in the future. We must stop this in our countries and negotiate with Canada to do the same.

Global water demand is doubling every 21 years, while only 1 percent of the water in the Great Lakes is renewed each year by precipitation or runoff. At the same time, scientists predict that by the end of the century, Great Lakes water levels could decline by 1.5 to 8 feet due to increased evaporation; and within the next three decades we may see a decline by as much as 3 feet. This of course is in addition to the historic fluctuations in lake levels that can vary by as much as 6.5 feet.

The bill also would help provide new funding sources to preserve and restore historic Great Lakes lighthouses. Great Lakes lighthouses have helped mariners navigate the Great Lakes and find safe harbors for decades, and are an important part of the maritime history of the Great Lakes. Many of these lighthouses have historical or architectural significance, but are unfortunately in poor condition because of neglect and deterioration.

The Act would help find new funding sources to preserve the lighthouses by directing the National Park Service to Study the Great Lakes lighthouses and recommend the best course of action for preserving and restoring the lighthouses.

The Great Lakes are a precious natural resource not just to their neighboring States, but to the entire country. I urge my Senate colleagues to join me and protect this vital resource for the use, benefit, and enjoyment of present and future generations of Americans.

I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1033

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 ''Great Lakes Water Protection Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Great Lakes contain ⅕ of the world's fresh water supply;

(2) the Great Lakes basin is home to over 33,000,000 people and is a vital source of safe drinking water for millions of people;

(3) the Great Lakes support many wetlands, sand dunes, and other fragile coastal habitats;

(4) those coastal habitats are home to many endangered and threatened wildlife and plant species, including the piping plover, Pitcher's thistle, and the dwarf lake iris;

(5) the Great Lakes are crucial to the economies of the Great Lakes States for recreation, commercial shipping, and industrial and agriculture uses; and

(6) oil and gas development beneath the water in any of the Great Lakes could—

(A) expose a valuable fresh water supply of the United States to serious contamination; and

(B) cause serious environmental damage to the water and shoreline of the Great Lakes.

SEC. 3. EFFECTS OF OIL AND GAS DEVELOPMENT ON THE GREAT LAKES.

The Federal Water Pollution Control Act is amended by inserting after section 108 (33 U.S.C. 1258) the following:

''SEC. 108A. EFFECTS OF OIL AND GAS DEVELOPMENT ON THE GREAT LAKES.

''(a) DEFINITIONS.—In this section:

''(1) ACADEMY.—The term 'Academy' means the National Academy of Sciences.

''(2) DRILLING ACTIVITY.—

''(A) IN GENERAL.—The term 'drilling activity' means any drilling to extract oil or gas from land beneath the water in any of the Great Lakes.

''(B) INCLUSIONS.—The term 'drilling activity' includes—

''(i) directional drilling (also known as 'slant drilling'); and

''(ii) offshore drilling.

''(3) GREAT LAKE.—The term 'Great Lake' means—

''(A) Lake Erie;

''(B) Lake Huron (including Lake Saint Clair);

''(C) Lake Michigan;

''(D) Lake Ontario (including the Saint Lawrence River from Lake Ontario to the 45th parallel of latitude); and

''(E) Lake Superior.

''(4) GREAT LAKES STATE.—The term 'Great Lakes State' means each of the States of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin.

''(b) INCENTIVES TO PREVENT DRILLING ACTIVITY.—

''(1) IN GENERAL.—To be eligible to receive an incentive grant under paragraph (2), a grant under section 601(a), or a grant under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12), a Great Lakes State shall not issue any oil or gas permit or lease for drilling activity.

''(2) INCENTIVE GRANTS.—

''(A) IN GENERAL.—For each fiscal year or portion of a fiscal year in which paragraph (1) is in effect, the Secretary of the Interior shall make grants to Great Lakes States.

''(B) USE OF GRANTS.—A Great Lakes State shall use a grant under this paragraph to carry out conservation activities in the State, including activities to conserve parkland and protect shores.

''(C) AMOUNT OF GRANTS.—For each fiscal year or portion of a fiscal year, the amount of a grant to a Great Lakes State under subparagraph (A) shall be equal to the product obtained by multiplying—

''(i) the amount available for grants under this paragraph for the fiscal year or portion of a fiscal year; and

''(ii) the ratio that—

''(I) the amount of funds that the Great Lakes State would have received, but for paragraph (1), from the sale of oil and gas from the Great Lakes during the fiscal year; bears to

''(II) the amount of funds that all Great Lakes States would have received, but for paragraph (1), from the sale of oil and gas from the Great Lakes during the fiscal year.

''(D) MAXIMUM AMOUNT OF GRANTS.—For each fiscal year, the Secretary of the Interior may make grants under this paragraph in an aggregate amount not to exceed $50,000,000.

''(c) STUDY.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Administrator shall conduct a study to examine the known and potential environmental effects of drilling activity, including any effects on—

''(A) water quality (including the quality of drinking water);

''(B) the sediments and shorelines of the Great Lakes;

''(C) fish and other aquatic species, plants, and wildlife that are dependent on Great Lakes resources;

''(D) competing uses of water and shoreline areas of the Great Lakes; and

''(E) public health of local communities.

''(2) CONSULTATION.—In designing and conducting the study, the Administrator shall consult with—

''(A) the Secretary of Energy;

''(B) the Administrator of the National Oceanic and Atmospheric Administration;

''(C) the Chief of Engineers;

''(D) the Great Lakes States; and

''(E) as appropriate, representatives of environmental, industry, academic, scientific, public health, and other relevant organizations.

''(3) INDEPENDENT REVIEW.—Not later than 180 days after the date of enactment of this section, the Administrator shall enter into an agreement with the Academy under which the Administrator shall submit to the Academy, and the Academy shall review, the results of the study.

''(4) REPORT.—Not later than 1 year after the date of submission to the Academy of the study under paragraph (3), the Academy shall submit to the Administrator and Congress—

''(A) the study; and

''(B) a report that describes the results of the review by the Academy (including any recommendations concerning the results of the study).

''(5) ACTION BY CONGRESS.—It is the sense of Congress that, after receiving the study and report under paragraph (4), Congress should—

''(A) review the study and report;

''(B) conduct hearings concerning the impact of drilling activity; and

''(C) determine whether to eliminate the condition under subsection (b)(1).

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

S. 1034

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 ''Great Lakes Ecology Protection Act''.

SEC. 2. BALLAST WATER TREATMENT REGULATIONS.

(a) IN GENERAL.—Section 1101(b) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4711(b)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by striking ''(3) ADDITIONAL REGULATIONS.—In addition'' and inserting the following:

''(3) REGULATIONS CONCERNING AQUATIC NUISANCE SPECIES.—

''(A) IN GENERAL.—The Secretary of Transportation shall, in consultation with the Secretary of the Interior, the Secretary of Commerce, the Secretary of Defense, the Administrator of the Environmental Protection Agency, the Governors of States that border the Great Lakes, and in accordance with this paragraph, promulgate and review regulations to prevent, to the maximum extent practicable, the introduction and spread of aquatic nuisance species in the Great Lakes.

''(B) CONTENTS OF REGULATIONS.—The regulations promulgated under subparagraph (A)—

''(i) shall apply to all vessels capable of discharging ballast water (including vessels equipped with ballast water tank systems or other water tank systems) that enter the Great Lakes after operating on water outside of the Exclusive Economic Zone;

''(ii) shall ensure, to the maximum extent practicable, that ballast water containing aquatic nuisance species is not discharged into the Great Lakes (including by establishing the standard described in clause (iii));

''(iii) shall include a ballast water treatment standard for vessels that elect to carry out ballast water management or treatment that, at a minimum, requires—

''(I) a demonstrated 95 percent volumetric exchange of ballast water; or

''(II) a ballast treatment that destroys not less than 95 percent of all animal fauna in a standard ballast water intake, as approved by the Secretary;

''(iv) shall protect the safety of each vessel (including crew and passengers);

''(v) shall include requirements on new vessel construction to ensure that vessels entering service after January 1, 2005, minimize the transfer of organisms;

''(vi) shall require vessels to carry out any discharge or exchange of ballast water within the Great Lakes only in compliance with the regulations;

''(vii) shall be promulgated after taking into consideration a range of vessel operating conditions, from normal to extreme;

''(viii) shall—

''(I) ensure that technologies and practices implemented under this section are environmentally sound treatment methods for ballast water and ballast sediments that prevent and control infestations of aquatic nuisance species; and

''(II) include a detailed timetable for—

''(aa) the implementation of treatment methods determined to be technologically available and cost-effective at the time of the publication of the notice of proposed rulemaking; and

''(bb) the development, testing, evaluation, approval, and implementation of additional technologically innovative treatment methods;

''(ix) shall provide for certification by the master of each vessel entering the Great Lakes that the vessel is in compliance with the regulations;

''(x) shall ensure compliance with the regulations, to the maximum extent practicable, through—

''(I) sampling or monitoring procedures;

''(II) the inspection of records;

''(III) the imposition of sanctions in accordance with subsection (g)(1); and

''(IV) the certification of ballast water treatment vendors and vessel vendors;

''(xi) shall be based on the best scientific information available;

''(xii) shall not supersede or adversely affect any requirement or prohibition pertaining to the discharge of ballast water into water of the United States under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); and

''(xiii) shall include such other requirements as the Secretary of Transportation considers appropriate.

''(C) REGULATORY SCHEDULE.—

''(i) NOTICE OF PROPOSED RULEMAKING.—

''(I) IN GENERAL.—Not later than 120 days after the date of enactment of the Great Lakes Ecology Protection Act, the Secretary of Transportation shall publish, in the Federal Register and through other means designed to reach persons likely to be subject to or affected by the regulations (including publication in local newspapers and by electronic means), a notice of proposed rulemaking concerning the regulations proposed to be promulgated under this paragraph.

''(II) FINAL REGULATIONS.—The Secretary of Transportation shall promulgate final regulations under this paragraph—

''(aa) with respect to the implementation of treatment methods described in subparagraph (B)(vii)(II)(aa), not later than 270 days after the date of enactment of the Great Lakes Ecology Protection Act; and

''(bb) with respect to the additional technologically innovative treatment methods described in subparagraph (B)(vii)(II)(bb), not later than the earlier of—

''(AA) the date established by the timetable under subparagraph (B)(vii)(II) for implementation of those methods; or

''(BB) 720 days after the date of enactment of the Great Lakes Ecology Protection Act.

''(III) REVIEW AND REVISION OF REGULATIONS.—Not later than 3 years after the date on which final regulations are promulgated under this subparagraph, and every 3 years thereafter, the Secretary shall review and revise as necessary, the regulations—

''(aa) to improve the effectiveness of the regulations; and

''(bb) to incorporate better management practices and ballast water treatment standards and methods.

''(IV) PUBLIC PARTICIPATION.—The Secretary of Transportation shall—

''(aa) provide not less than 120 days for public comment on the proposed regulations; and

''(bb) provide for an effective date that is not less than 30 days after the date of publication of the final regulations.

''(4) ADDITIONAL REGULATIONS.—In addition''.

(b) DEFINITION OF TREATMENT METHOD.—Section 1003 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4702) is amended—

(1) by redesignating paragraphs (13), (14), (15), (16), and (17) as paragraphs (14), (15), (16), (17), and (18), respectively; and

(2) by inserting after paragraph (12) the following:

''(13) 'treatment method' means a method for treatment of the contents of a ballast water tank (including the sediments within the tank) to remove or destroy nonindigenous organisms through—

''(A) filtration;

''(B) the application of biocides or ultraviolet light;

''(C) thermal methods; or

''(D) other treatment techniques that meet applicable ballast water treatment standards, as approved by the Secretary;''.

SEC. 3. INVASIVE SPECIES AND BALLAST WATER TECHNOLOGIES RESEARCH GRANTS.

(a) GRANTS AUTHORIZED.—The Secretary of Commerce, through the National Oceanic and Atmospheric Administration, and in consultation with the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Transportation, and the Administrator of the Environmental Protection Agency, is authorized to award Invasive Species and Ballast Water Technologies Research Grants.

(b) USE OF FUNDS.—Grants awarded under subsection (a) may be used to—

(1) study the impact of invasive species on the environment of the Great Lakes region; and

(2) develop technologies and treatment methods, including ballast water tank technology, designed to destroy or remove invasive species.

(c) ELIGIBLE RECIPIENTS.—

(1) IN GENERAL.—The Secretary may award grants under subsection (a) to any post-secondary educational institution in the United States.

(2) SPECIAL CONSIDERATION FOR INSTITUTIONS COLLABORATING WITH INDUSTRY.—In awarding grants under subsection (a), the Secretary shall give special consideration to post-secondary educational institutions that work collaboratively with members of the United States shipping industry to carry out an activity for which grant funds may be used under subsection (b).

(d) AVAILABILITY AND MARKETING OF TECHNOLOGY.—In awarding grants under subsection (a), the Secretary shall ensure that

to the greatest extent practicable, technologies and treatments developed as the result of a grant awarded under subsection (a) are made commercially available.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $100,000,000 for the period of fiscal year 2002 through fiscal year 2006.

S. 1035

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 ''Great Lakes Preservation Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Great Lakes are precious public natural resources, and are renewable but finite bodies of water that should be protected, conserved, and managed for the use, benefit, and enjoyment of all present and future generations of people of the United States;

(2) the Great Lakes are crucial to the economies of the Great Lakes States for recreation, commercial shipping, industrial, and agricultural uses;

(3) the Great Lakes contain ⅕ of the world's fresh water supply and are a vital source of safe drinking water for millions of people;

(4) the Great Lakes Charter of 1985 is a voluntary international agreement that provides the procedural framework for notice and consultation by the Great Lakes States and the Great Lakes Provinces concerning the diversion of the water of the Great Lakes basin;

(5) the Governors of the Great Lakes States and the Premiers of the Great Lakes Provinces have based decisions on proposals to withdraw, divert, or use Great Lakes water on the extent to which the proposals conserve and protect water and water-dependent natural resources of the Great Lakes basin; and

(6) decisionmaking concerning Great Lakes water should remain vested in the Governors of the Great Lakes States, who manage the water and resources on a day-to-day basis.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) BULK FRESH WATER.—The term ''bulk fresh water'' means fresh water extracted in quantities intended for transportation by tanker or similar form of mass transportation, without further processing.

(3) FROM THE GREAT LAKES BASIN.—The term ''from the Great Lakes basin'', with respect to water, means—

(A) water from Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, Lake St. Clair, or Lake Superior;

(B) water from any interconnecting waterway within any watercourse that drains into or between any of those lakes; and

(C) water from a tributary surface or underground channel or area that drains into or comprises part of any watershed that drains into any of those lakes.

(4) GREAT LAKE.—The term ''Great Lake'' means—

(A) Lake Erie;

(B) Lake Huron (including Lake Saint Clair);

(C) Lake Michigan;

(D) Lake Ontario (including the Saint Lawrence River from Lake Ontario to the 45th parallel of latitude); and

(E) Lake Superior.

(5) GREAT LAKES PROVINCE.—The term ''Great Lakes Province'' means the Province of Ontario or Quebec, Canada.

(6) GREAT LAKES STATE.—The term ''Great Lakes State'' means the State of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, or Wisconsin.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the National Park Service.

SEC. 4. MORATORIUM ON EXPORT OF BULK FRESH WATER.

(a) IN GENERAL.—Bulk fresh water from the Great Lakes basin shall not be exported from the United States.

(b) SUNSET PROVISION.—Subsection (a) shall cease to be effective on the date of enactment of an Act of Congress approving the operation of a mechanism and conservation standard for making decisions concerning the withdrawal, diversion, and use of water of the Great Lakes that has been agreed to by each of the Governors of the Great Lakes States, acting in cooperation with the Premiers of the Great Lakes Provinces.

(c) SENSE OF CONGRESS.—It is the sense of Congress that the Federal Government should enter into an agreement with the Government of Canada stating that the United States and Canada shall abide by the terms of the moratorium under subsection (a) until the date specified in subsection (b).

SEC. 5. PRESERVATION OF HISTORIC GREAT LAKES LIGHTHOUSES.

(a) FINDINGS.—Congress finds that—

(1) the Great Lakes have greatly influenced settlement, commerce, transportation, industry, and recreation throughout the rich maritime history of the Great Lakes States;

(2) lighthouses in Great Lakes States have helped mariners navigate dangerous shoals and find safe harbors for decades and are an important part of the maritime history of the Great Lakes;

(3) many of the lighthouses have historical or architectural significance; and

(4) the future of the lighthouses is uncertain because many are in poor condition because of neglect and deterioration.

(b) STUDY.—Not later than 3 years after the date on which funds are made available to carry out this section, the Secretary shall conduct and submit to Congress a study to identify options to preserve the lighthouses in the Great Lakes States.

(c) PROCEDURE.—In conducting the study under subsection (b), the Secretary shall—

(1) review programs, policies, and standards of the National Park Service to determine the most appropriate means of ensuring that the lighthouses (including any associated natural, cultural, and historical resources) are preserved; and

(2) consult with—

(A) State and local historical associations and societies in the Great Lakes States;

(B) historic preservation agencies in the Great Lakes States;

(C) the Commandant of the Coast Guard; and

(D) other appropriate entities.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

Mr. LEVIN. Mr. President, I am pleased to join Senator STABENOW, in introducing 3 pieces of legislation to help protect the nation's largest source of fresh water—the Great Lakes.

The first bill, The Great Lakes Water Protection Act, will prevent new oil and gas drilling beneath the lakes until the EPA, in cooperation with the National Academy of Science, the Great Lakes States, and other interested parties, is able to study the impacts that drilling may have to water quality, fish and wildlife habitat, drinking water, and other coastal land-use activities.

It is just not worth taking a chance on harming this critical resource for a small amount of oil and natural gas.

Slant drilling, while a more environmentally friendly method than the traditional drilling methods, is imperfect. Wells can blow out and equipment can be damaged. Because just one quart of oil can contaminate up to two million gallons of drinking water, the risk of drilling is especially acute when these wells are located directly next to the Great Lakes which serve as the source of drinking water for so many communities. According to a recent study by the Lake Michigan Federation, the normal slant drilling process could result in ground water contamination, surface water pollution, and the release of hazardous gases. If an accident were to occur, an oil or natural gas spill could impact Michigan's sensitive wetlands, sand dunes, and wildlife habitat. Oil leaked or washed into the Lakes would affect fish species, especially in the sensitive near-shore spawning and nursery areas, detrimentally impacting the Great Lakes commercial and recreational fisheries. We surely need to thoroughly review all possible risks before making decisions that could chance these irreplaceable natural resources.

Additionally, there are existing human activities along the Great Lakes' coasts, and we need to find out how drilling activities could impact those communities. Even advocates of drilling admit that some damage at shore-line drilling sites is inevitable. Drilling requires the construction of new infrastructure such as drilling rigs and sites, storage tanks, and new pipelines. These facilities can deter tourism and hinder local community development.

Our pristine Great Lakes coastline is valuable to the tourism industry in Michigan while the Great Lakes' energy potential is very small. Since the first U.S. well was drilled under Lake Michigan in 1979, only 438,000 barrels of oil and about 17.5 billion cubic feet of natural gas have been produced. This is not even a drop in the bucket compared to the Nation's annual energy consumption of 20 million barrels of oil per day and 65 billion cubic feet of natural gas per day. In contrast, Great Lakes recreational fishers spend $1.4 billion annually on gear and lake trips. The thousands of hikers, birdwatchers, beach-goers and other recreational users enjoying the Great Lakes shoreline and coastal waters contribute millions of dollars to local economies.

I believe that if this country should focus more on advancing alternative fuels. In Michigan, we can advance environmental quality and economic growth by supporting research into advanced technology vehicles.

I encourage my colleagues to support this important legislation. There is

simply too much at stake to risk the Great Lakes and their shoreline.

The second piece of legislation, The Great Lakes Water Protection Act, prohibits bulk fresh water from the Great Lakes basin to be exported from the United States until a conservation standard governing withdrawals, diversion, and use of Great Lakes water is in place. The Great Lakes hold nearly 20% of the world's supply of freshwater.

As this legislation clearly states, the Great Lakes Governors currently have the authority to veto proposals to divert water from the Great Lakes outside the basin. However, the existing process over out-of-basin water diversions may be subject to an international trade dispute. So as the global water demand doubles every 21 years, we need a back up conservation strategy.

Additionally, this legislation authorizes the National Park Service to complete a resource study outlining options for the preservation of lighthouses in the Great Lakes. There are 120 Michigan lighthouses, and approximately 70 of these structures will be surplus property over the next 10 years. Under legislation that I sponsored last year, these historic treasures will be smoothly transferred from government ownership, and the Secretary of the Department of the Interior, through the National Park Service, is authorized to establish a historic lighthouse preservation program. The bill we are introducing today reinforces the government's commitment to preserving these historic structures.

Lastly, I am cosponsoring the Great Lakes Ecology Protection Act to attempt to control one of the most expensive and environmentally dangerous problems facing the Great Lakes-aquatic nuisance species.

Nearly 150 nonindigenous aquatic species have been accidently introduced into the Great Lakes in the past century. Most of the recent invasive species have been transported to the Lakes in commercial ships' ballast water. In 1990 and 1996 Congress enacted legislation which slowed down the introduction of aquatic nuisance species in the Great Lakes, however, approximately 1 new non-native organism enters the Lakes each year.

This legislation that I am cosponsoring is designed to prevent these invaders from coming into the Great Lakes and to control the movement of organisms once they have been introduced into the Lakes. The Coast Guard needs to design a standard for vessels capable of discharging ballast water in the Great Lakes that ensures that ballast water containing aquatic species are not discharged in the Great Lakes. The Coast Guard needs to establish a Ballast Treatment Performance Standard which will provide flexibility for industry to utilize and improve technology in order to meet that standard in whatever manner they want. Additionally, this legislation authorizes up to $100 million for invasive species and ballast water technologies research grants.

I encourage the rest of my colleagues to support legislative efforts to control aquatic nuisance species. In 2002, the National Invasive Species Act of 1996 expires, and Congress will be tasked with improving and reauthorizing this legislation. I believe that a national reauthorization is important to create a unified approach rather than forcing the States to enact individual standards for ships in an attempt to control aquatic nuisance species. However, if efforts to reauthorize a national program should stall, I believe that this legislation will help protect the Great Lakes from aquatic invaders.

By Mr. HARKIN (for himself, Mr. LEAHY Mr. DURBIN, Mr. DEWINE, Mr. DORGAN, Mr. DASCHLE, Mr. KOHL, Mr. LUGAR, Mr. KENNEDY, Mr. JOHNSON, Mr. CONRAD, Ms. LANDRIEU, and Mr. DAYTON):

S. 1036. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to establish an international food for education and child nutrition program; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HARKIN. Mr. President, together with a bipartisan group of colleagues, I am pleased to be introducing this legislation to address two of the most glaring problems facing children across the globe: malnutrition and the lack of educational opportunity. I very much appreciate the opportunity to work with Senator LEAHY and Senator LUGAR, who have so strongly supported nutrition assistance for many years, in developing this legislation.

An estimated 300 million poor children around the world either do not receive food at school or do not go to school at all. About 130 million of the world's children, 60 percent of them girls, are presently not attending school. With the abundance of food here in America and in other nations, this reality is absolutely unconscionable.

Our bill, the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001, will provide U.S. agricultural commodities and other assistance to boost child nutrition in connection with educational programs in developing countries.

I salute former Senators George McGovern and Bob Dole for their work in promoting the Global Food for Education Initiative, and President Clinton for recognizing its merits early on and beginning a pilot project for this year.

The bill permanently adds this new program to existing U.S. foreign food assistance programs, such as P.L. 480 and Food for Progress.

Our bill will apply the producing power of American farmers and agriculture-related industries to help families, villages and even nations escape the treadmill of poverty by supporting both improved nutrition and education for children. It also offers nutritious food and learning as an alternative to sending children down the dead-end path of exploitive work in sweatshops, mines or factories.

The International Food for Education and Child Nutrition Program established in this legislation will be carried out through private nonprofit groups, cooperatives, and intergovernmental organizations. Under the bill, USDA will purchase U.S. commodities and cover the costs of making them available in developing countries to provide nutrition for children in connection with educational programs. Funding would begin at $300 million in fiscal 2002 and increase to $750 million in fiscal 2006.

The problems of global malnutrition and limited education are so large that participation by other countries is crucially important. Accordingly, this bill specifically encourages other donor countries and the private sector to support the program. If concerned nations will come together and make a firm commitment, we can end child hunger, child poverty and exploitive child labor and lift families and nations from poverty.

This bill continues our Nation's proud tradition of helping to build a better future for children in developing countries and I am proud we are introducing it today. I strongly urge my colleagues to support this important legislation and ask, unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1036

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 ''George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001''.

SEC. 2. INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

''SEC. 417. INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE COMMODITY.—The term 'eligible commodity' means—

''(A) an agricultural commodity; and

''(B) a vitamin or mineral produced—

''(i) in the United States; or

''(ii) in limited situations determined by the Secretary, outside the United States.

''(2) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a private voluntary organization, cooperative, or intergovernmental organization, as determined by the Secretary.

''(3) PROGRAM.—The term 'Program' means the International Food for Education and Child Nutrition Program established under subsection (b)(1).

''(4) RECIPIENT COUNTRY.—The term 'recipient country' means 1 or more developing

countries covered by a plan approved under subsection (d)(1)(A)(ii).

''(b) PROGRAM ESTABLISHMENT.—

''(1) IN GENERAL.—In cooperation with other countries, the Secretary shall establish, and the Department of Agriculture shall act as the lead Federal agency for, the International Food for Education and Child Nutrition Program, through which the Secretary shall provide to eligible organizations eligible commodities and technical and nutritional assistance for pre-school and school-age children in connection with education programs to improve food security and enhance educational opportunities for pre-school age and primary-school age children in recipient countries.

''(2) ADMINISTRATION.—In carrying out the Program, the Secretary may use the personnel and other resources of the Food and Nutrition Service and other agencies of the Department of Agriculture.

''(c) PURCHASE AND DONATION OF ELIGIBLE COMMODITIES AND PROVISION OF ASSISTANCE.—

''(1) IN GENERAL.—Under the Program, the Secretary shall enter into agreements with eligible organizations—

''(A) to purchase, acquire, and donate eligible commodities to eligible organizations; and

''(B) to provide technical and nutritional assistance.

''(2) OTHER DONOR COUNTRIES.—Consistent with the Program, the Secretary shall encourage other donor countries, directly or through eligible organizations—

''(A) to donate goods and funds to recipient countries; and

''(B) to provide technical and nutritional assistance to recipient countries.

''(3) PRIVATE SECTOR.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this section.

''(d) PLANS AND AGREEMENTS.—

''(1) IN GENERAL.—To be eligible to receive eligible commodities and assistance under this section, an eligible organization shall—

''(A)(i) submit to the Secretary a plan that describes the manner in which—

''(I) the eligible commodities and assistance will be used in 1 or more recipient countries to meet the requirements of this section; and

''(II) the role of the government in the recipient countries in carrying out the plan; and

''(ii) obtain the approval of the Secretary for the plan; and

''(B) enter into an agreement with the Secretary establishing the terms and conditions for use of the eligible commodities and assistance.

''(2) MULTIYEAR AGREEMENTS.—

''(A) IN GENERAL.—An agreement under paragraph (1)(B) may provide for eligible commodities and assistance on a multiyear basis.

''(B) LOCAL CAPACITY.—The Secretary shall facilitate, to the extent the Secretary determines is appropriate, the development of agreements under paragraph (1)(B) that, on a multiyear basis, strengthen local capacity for implementing and managing assistance programs.

''(3) STREAMLINED PROCEDURES.—The Secretary shall develop streamlined procedures for the development, review, and approval of plans submitted under paragraph (1)(A) by eligible organizations that demonstrate organizational capacity and the ability to develop, implement, monitor, and report on, and provide accountability for, activities conducted under this section.

''(4) GRADUATION.—An agreement under paragraph (1)(B) shall include provisions—

''(A)(i) to sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under the Program terminates; and

''(ii) to estimate the period of time required for the recipient country or eligible organization to provide assistance described in subsection (b)(1) without additional assistance provided under this section; or

''(B) to otherwise provide other long-term benefits to the targeted populations.

''(e) EFFECTIVE USE OF ELIGIBLE COMMODITIES.—The Secretary shall ensure that each eligible organization—

''(1) uses eligible commodities made available under this section effectively, in the areas of greatest need, and in a manner that promotes the purposes of this section;

''(2) in using assistance provided under this section, assesses and takes into account the nutritional and educational needs of participating pre-school age and primary-school age children;

''(3) to the maximum extent practicable, uses the lowest cost means of delivering eligible commodities and providing other assistance authorized under the Program;

''(4) works with recipient countries and indigenous institutions or groups in recipient countries to design and carry out mutually acceptable food and education assistance programs for participating pre-school age and primary-school age children;

''(5) monitors and reports on the distribution or sale of eligible commodities provided under this section using methods that will facilitate accurate and timely reporting;

''(6) periodically evaluates the effectiveness of the Program, including evaluation of whether the food security and education purposes can be sustained in a recipient country if the recipient country is gradually terminated from the assistance in accordance with subsection (d)(4); and

''(7) considers means of improving the operation of the Program by the eligible organization and ensuring and improving the quality of the eligible commodities provided under this section, including improvement of the nutrient or micronutrient content of the eligible commodities.

''(f) INTERAGENCY COORDINATION ON POLICY GOALS.—The Secretary shall consult and collaborate with other Federal agencies having appropriate expertise in order to provide assistance under this section to promote equal access to education to improve the quality of education, combat exploitative child labor, and advance broad-based sustainable economic development in recipient countries.

''(g) SALES AND BARTER.—

''(1) IN GENERAL.—Notwithstanding subsection (d)(1)(A), with the approval of the Secretary, an eligible organization may—

''(A) acquire funds or goods by selling or bartering eligible commodities provided under this section within the recipient country or countries near the recipient country; and

''(B) use the funds or goods to improve food security and enhance educational opportunities for pre-school age and primary-school age children within the recipient country, including implementation and administrative costs incurred in carrying out this subsection.

''(2) PAYMENT OF ADMINISTRATIVE COSTS.—An eligible organization that receives payment for administrative costs under paragraph (1) shall not be eligible to receive payment for the same administrative costs under subsection (h)(3).

''(h) ELIGIBLE COSTS.—Subject to subsections (d)(1) and (m), the Secretary shall pay all or part of—

''(1) the costs and charges described in paragraphs (1) through (5) and (7) of section 406(b) with respect to an eligible commodity;

''(2) the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that—

''(A) payment of the costs is appropriate; and

''(B) the recipient country is a low income, net food-importing country that—

''(i) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; or

''(ii) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the follow-up Dakar Framework for Action of the World Education Forum in 2000; and

''(3) the projected costs of an eligible organization for administration, sales, monitoring, and technical assistance under a plan approved by the Secretary under subsection (d)(1)(A) (including an itemized budget), taking into consideration, as determined by the Secretary—

''(A) the projected amount of such costs itemized by category; and

''(B) the projected amount of assistance received from other donors.

''(i) DISPLACEMENT.—Subsections (a)(2), (b), and (h) of section 403 shall apply to this section.

''(j) AUDITS AND TRAINING.—The Secretary shall take such actions as are necessary to support, monitor, audit, and provide necessary training in proper management under the Program.

''(k) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

''(1) the results of the implementation of the Program during the applicable year, including the impact on the enrollment, attendance, and performance of children in primary schools targeted under the Program; and

''(2) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for the purposes of this section during subsequent years.

''(l) INDEPENDENCE OF AUTHORITIES.—Each authority granted under this section shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

''(m) FUNDING.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), for each of fiscal years 2002 through 2006, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

''(2) FISCAL YEAR LIMITATIONS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the amount of funds of the Commodity Credit Corporation uses to carry out this section shall not exceed—

''(i) $300,000,000 for fiscal year 2002; or

''(ii) $400,000,000 for each of fiscal years 2003 through 2006.

''(B) PARTICIPATION BY DONOR COUNTRIES.—If the Secretary determines for any of fiscal years 2004 through 2006 that there is adequate participation in the Program by donor countries, in lieu of the maximum amount authorized for that fiscal year under subparagraph (A)(ii), the amount of funds of the

Commodity Credit Corporation uses to carry out this section shall not exceed—

''(i) $525,000,000 for fiscal year 2004;

''(ii) $625,000,000 for fiscal year 2005; or

''(iii) $750,000,000 for fiscal year 2006.

''(3) USE LIMITATIONS.—Of the funds provided under paragraph (2), the Secretary may use to carry out subsection (h)(3), not more than—

''(A) $40,000,000 for fiscal year 2002;

''(B) $50,000,000 for fiscal year 2003;

''(C) $60,000,000 for fiscal year 2004;

''(D) $70,000,000 for fiscal year 2005; or

''(E) $80,000,000 for fiscal year 2006.''.

SEC. 3. CONFORMING AMENDMENTS.

(a) Section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731(a)) is amended by inserting ''(other than section 417)'' after ''this Act'' each place it appears.

(b) Section 404(b)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734(b)(4)) is amended by inserting ''with respect to agreements entered into under this Act (other than section 417),'' after ''(4)''.

(c) Section 406(d) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736(d)) is amended by inserting ''(other than section 417)'' after ''this Act''.

(d) Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by inserting ''(other than section 417)'' after ''this Act''.

(e) Section 412(b)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f(b)(1)) is amended by inserting ''(other than section 417)'' after ''this Act'' each place it appears.

Mr. LEAHY. Mr. President, today we introduce the George McGovern-Robert Dole International Food for Education and Child Nutrition Act of 2001.

This is a momentous day for needy children around the world. And it is America's opportunity to embark on a bold venture that can have unexpected benefits, and advance world peace and understanding.

The name of our legislation honors two great leaders, and two great friends, Ambassador George McGovern and Senator Bob Dole. It was a privilege for me to serve on the Senate Agriculture, Nutrition and Forestry Committee with both of them for many years. I have known both of them for years and they know that each hungry child is an empty promise.

Nutrition is the key not only to health but to education and economic progress in many developing societies. This initiative taps America's agricultural bounty to become a catalyst for real and lasting change in many struggling nations. This bill can literally change the world.

I am thrilled that Chairman TOM HARKIN will join with ranking member DICK LUGAR and me on this Senate bill. It would be hard to find, in the last 13 years, a nutrition or agriculture bill sponsored by Senator LUGAR, Senator HARKIN and me—that is not now the law of the land.

We are pleased to have Senator DEWINE with us in this effort. I work with him on the Judiciary Committee and I know he is a strong fighter for children. Senators KOHL, DORGAN, DASHLE, KENNEDY, DURBIN, CONRAD, JOHNSON, LANDRIEU, and DAYTON are also on the bill. Each, in their own right, are leaders in protecting children.

This bill will make private voluntary organizations and the World Food Program full partners with USDA in implementing this bold education and child nutrition vision. I want to make clear that the bill unambiguously provides that PVOs are full partners with USDA, just as the WFP will be.

Ambassador George McGovern has said about this effort that, ''Dollar for dollar it is the best investment we can make in creating a healthier, better educated and more effective global citizenry.'' He spoke of how the program would be of ''enormous benefit'' to the education of girls, since in Third World countries parents will also send girls to school if meals are offered.

I want to point out that one Catholic Relief Services project offering meals and education in Ghana has seen the ''number of girls enrolled in school jump by 88 percent, and their attendance rose by 50 percent.'' In Pakistan, the World Food Program offered cooking oil to families if they sent their children, especially girls, to school. The parents' response was overwhelming and the ''enrollment of girls has doubled.'' In similar projects in Niger ''girls' attendance rose by 75 percent, and by 100 percent in Morocco.''

This is clearly a great idea for children who otherwise may have no hope, and no future.

Most beginnings rarely seem momentous at the time, and then, looking back, every detail is studied by students and scholars and meaning is attached to every step. I want to chronicle some aspects of this beginning when memories are fresh.

I will again mention my good friend Ambassador George McGovern. First, I appreciate that President George W. Bush decided to keep George McGovern on as Ambassador to the U.N. food agencies in Rome, Italy. This demonstrated a keen bipartisan spirit, and the best choice for the job.

Last year, George McGovern authored a paper setting forth a bold vision for a multinational effort to provide meals to children in school settings. He is an expert having worked on school lunch issues during his eighteen years on the Agriculture, Nutrition and Forestry Committee, as a Director of the Food for Peace program, and now as U.S. Ambassador to the U.N. food agencies.

He further explained this bold vision at Senate Agriculture Committee hearing on July 27, 2000. What a pleasure it was for me to listen to both Ambassador McGovern and Former Majority Leader Bob Dole at this hearing presided over by my friend and colleague, then Chairman DICK LUGAR. The hearing featured two giants in the history of nutrition programs adding another chapter to their legacies, under the watchful eye of a very decent, intelligent, and understanding Senator, Senator LUGAR, who cares about the state of the world.

At the hearing, George McGovern said that ''if we could achieve the goal of reaching 300 million hungry children with one good meal every day, that would transform life on this planet.'' He pointed out another significant benefit in that ''it would raise the income of American farmers and those in other countries that have farm surpluses.''

Senator Dole, another giant in the history of nutrition programs, supported this vision and commended the Clinton administration for launching a $300 million school feeding pilot program to feed hungry children throughout the world. He said, ''I can think of no better solution to the problem [of agricultural surpluses] than to support a program that will help our farmers while putting food in the stomachs of desperately hungry and malnourished children.''

This brings me to another leading player in this bipartisan effort, former President William Clinton. He elevated these issues by raising the idea at the G8 meeting in Okinawa, Japan, in July, 2000. He urged the eight industrialized democracies at the start of the new millennium to contribute some of their wealth, natural resources and goodness to help the next generation of the world. The President announced this $300 million Global Food for Education Initiative to feed hungry children and pledged to work with other nations to seek support and contributions from them. This gave the McGovern-Dole proposal new force and captured the interest and attention of other nations. The President's staff, including Tom Friendman and chief of staff John Podesta, worked diligently to get this program off the ground and dedicated career staff at USDA, including Richard Fritz and Mary Chambliss, worked long hours to launch the President's initiative.

At that same hearing, then Secretary Dan Glickman noted that worldwide 120 million children are not enrolled in school and that tens of millions drop out before achieving basic literacy. He explained how a global school meals program would reduce the incidence of child labor and have the potential to raise academic performance and increase literacy rates. He noted what a draw school meals can be, when a school feeding program in the Dominican Republic was temporarily suspended, 25 percent of the children dropped out of school.

Another tremendous force in the history of this initiative is Catherine Bertini, the Executive Director of the World Food Program. I have known Cathy since I first met her when she was being confirmed as Assistant Secretary of Agriculture for Food and Consumer Service over a decade ago, under President George Bush.

She was an outstanding and creative leader in that job and I was happy to support her for the World Food Program position. I treasure memories of a detailed briefing she gave my wife, Marcelle, and me at her apartment in

Rome, Italy. Her concern for hungry children, her command of the facts and her extreme competence and management abilities have made her a truly outstanding director.

In an interesting coincidence, my chief advisor and legal counsel on nutrition policies since 1987, Ed Barron, has been a friend of Cathy's since high school. He went to school in Homer, NY, and Cathy attended neighboring Cortland High School.

Cathy explained that in one original idea the WFP offered ''take home'' food to a family for every month that a girl attended school regularly. Cathy noted that ''the results have been dramatic'' as school attendance greatly increased. Cathy proposed some great principles that, I agree, should be followed. Such an international feeding program should be sustainable, it should be mostly school-based, and it should be targeted to the most needy. Of course, we need to employ a loose definition of school, since a teacher can teach and school children can learn in practically any setting.

In addition, she noted that the United States should use its special knowledge and experience to help other countries develop these programs. USDA and US AID experts should make periodic visits to work with national personnel and PVOs and others to build capacity and sustainable projects.

Joseph Scalise who represents the World Food Program here in Washington, D.C. has done a wonderful job keeping me and my staff informed of developments regarding WFP efforts and views.

Another major force in international feeding efforts is Ellen Levinson. As Executive Director of the Coalition for Food Aid, she has done a very effective job representing many private voluntary organizations who provide food and other assistance throughout the world. She is a strong advocate for an integrated approach for physical and cognitive child development, with a focus on much more than just a meal or food ration. In addition to food assistance, Ellen wants the initiative to provide quality education and development.

Another leader in the area has been my good friend Marshall Matz. He has been a vigorous advocate and friendly adviser in this effort.

I also want to mention Elizabeth Darrow of my staff who has played a major role in helping organize this effort and making sure we kept it on track.

This bill has been greatly advanced by staff of Senators HARKIN and LUGER. Chief of Staff Mark Halverson and chief economist Stephanie Mercier attended many meetings and helped craft a fine bill. The Republican Chief of Staff for the Committee, Keith Luse, and his staff including Chris Salisbury, Dave Johnson and Michael Knipe, provided extremely useful guidance and advice about how best to structure this program and help ensure that the benefits get delivered to needy children. This was truly a team effort.

As always, the outstanding drafting skills of Gary Endicott of Senate Legislative Counsel are much appreciated. I have many times recognized his tremendous service to the Senate.

Congressman JIM MCGOVERN and Congresswoman JO ANN EMERSON, along with Congressman TONY HALL and others, recognized the bold potential of this effort right from the start. Many staff working for the other body provided a great deal of assistance, but Cindy Buhl needs to be especially recognized for her long hours of work, and dedication to the project. Cindy, and her boss JIM MCGOVERN, took command of this effort and deserve a lot of credit.

This bipartisan, bicameral effort, now looks to the new Administration for assistance. I, and all my colleagues, are eager to work with the Bush White House and Secretary Veneman to make this international education and child nutrition initiative a success. It may be imperative to have the President extend the current pilot program for one more year to insure continuity of service, and to provide an opportunity to work out all the kinks in a new project. The President could provide additional funding out of the Commodity Credit Corporation to help us bridge the gap.

I also want to thank the GAO team that is working on analyzing the current effort. The GAO is helping to provide valuable advice on how to improve this effort.

I want to briefly mention some thoughts from Ambassador McGovern's book, ''The Third Freedom.'' He begins with: ''Hunger is a political condition. The earth has enough knowledge and resources to eradicate this ancient scourge.''

I completely agree—and because addressing hunger is a moral imperative, the U.S. should lead the way. I am very hopeful that many nations who we have helped in the past—including economic gains in Europe who benefited from our Marshall Plan after WWII—will follow our lead and offer food, technical assistance and financial aid.

I look forward to working with my colleagues on this legislative and moral effort.

Mr. KENNEDY. Mr. President, I am proud to join so many of my colleagues in sponsoring the global school lunch legislation proposed today by Senators LEAHY and DEWINE. This bill is the product of much hard work by our former colleagues Dole and McGovern, and also by officials at all levels of government, the World Food Program, and the many non-governmental agencies that have pioneered international school feeding programs.

Much has already been accomplished. Under a trial program, the Department of Agriculture is preparing to ship 630,000 tons of wheat, soybeans, rice, dry milk, corn, and other food to nine million children in 38 nations throughout Latin America, Africa, Asia, and Eastern Europe. This legislation will be an important incentive to strengthen the worldwide effort.

Bob Dole and George McGovern worked well together in the Senate to promote child nutrition in America. The results of their landmark National School Lunch program have been impressive—improved nutrition and health, and increased academic performance as well. Their successful school lunch idea can benefit children in need throughout the world.

Hunger remains a painful reality every day for over 300 million children across the globe, and we can do more—much more to combat it. We know the cure for hunger, and I hope that Congress will move quickly to enact this needed legislation.

AMENDMENTS SUBMITTED AND PROPOSED

SA 800. Mr. SCHUMER (for himself and Mrs. BOXER) proposed an amendment to amendment SA 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

SA 801. Mr. DOMENICI submitted an amendment intended to be proposed to amendment SA 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) supra.

SA 802. Mr. HARKIN (for Mr. KENNEDY (for himself and Mr. HARKIN)) proposed an amendment to amendment SA 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) supra.

TEXT OF AMENDMENTS

SA 800. Mr. SCHUMER (for himself and Mrs. BOXER) proposed an amendment to amendment No. 358 submitted by Mr. JEFFORDS and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

At the appropriate place insert the following:

SEC. 902. SENSE OF THE SENATE ON APPROPRIATION OF ALL FUNDS AUTHORIZED FOR ELEMENTARY AND SECONDARY EDUCATION.

(a) FINDINGS.—The Senate finds that—

(1) President George W. Bush has said that bipartisan education reform will be the cornerstone of his administration and that no child should be left behind;

(2) the Bush administration has said that too many of the neediest students of our Nation are being left behind and that the Federal Government can, and must, help close the achievement gap between disadvantaged students and their peers;

(3) more of the children of our Nation are enrolled in public school today than at any time since 1971;

(4) math and science skills are increasingly important as the global economy transforms into a high tech economy;

(5) last year's Glenn Commission concluded that the most consistent and powerful predictors of student achievement in math and science are whether the student's teacher had full teaching certification and a college major in the field being taught; and