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House of Representatives

The House met at 10 a.m.

The Reverend B. William Vanderbloemen, Jr., Memorial Presbyterian Church, Montgomery, Alabama, offered the following prayer:

Eternal and everlasting God, we thank You that You have given us another day. And not only another day, O Lord, but a day in the greatest country in the world. Today we ask that You bless us, bless us indeed, and allow our Nation to prosper. We pray that You keep Your hand upon us, protect us from evil, and keep us from causing pain. Bless us O Lord.

Lord, we shudder to think that You have called us to be the leaders of this great Nation, and we humbly ask for Your help. If the task is left only to us and to our abilities, we will surely fail, O Lord. If we should seek to build this country on our own guidance, we will build only a house of cards. But You O Lord, are the rock; may You be our foundation and our help today.

We know O God, that You do not simply call the qualified to lead, but You qualify the called. So qualify us by Your grace. Empower us to follow the calling You have given us.

May we as individuals, as a deliberative body, and as a nation, follow You this and every day; so that one day, when time finally falls exhausted at Your gates of glory, we might hear You say, ''Well done, thou good and faithful servant.''

Bless us O Lord. Bless us indeed.

In the name of Your Son, Jesus Christ our Saviour, we pray.

Amen.

THE JOURNAL

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

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

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 368, nays 52, answered ''present'' 1, not voting 12, as follows:

[Roll No. 249]

YEAS—368

Abercrombie	Boyd	Cubin
Ackerman	Brady (TX)	Culberson
Akin	Brown (FL)	Cummings
Allen	Brown (OH)	Cunningham
Andrews	Brown (SC)	Davis (CA)
Armey	Bryant	Davis (FL)
Baca	Burr	Davis (IL)
Bachus	Burton	Davis, Jo Ann
Baker	Buyer	Davis, Tom
Baldacci	Callahan	Deal
Baldwin	Calvert	DeGette
Ballenger	Camp	DeLauro
Barcia	Cannon	DeLay
Barr	Cantor	DeMint
Barrett	Capito	Deutsch
Bartlett	Capps	Diaz-Balart
Barton	Cardin	Dicks
Bass	Carson (IN)	Dingell
Becerra	Carson (OK)	Doggett
Bentsen	Castle	Dooley
Bereuter	Chabot	Doolittle
Berman	Chambliss	Doyle
Berry	Clay	Dreier
Biggert	Clayton	Duncan
Bilirakis	Clement	Dunn
Bishop	Clyburn	Edwards
Blagojevich	Coble	Ehlers
Blumenauer	Collins	Ehrlich
Blunt	Combest	Emerson
Boehlert	Condit	Eshoo
Boehner	Conyers	Etheridge
Bonilla	Cooksey	Evans
Bonior	Cox	Everett
Bono	Coyne	Farr
Boswell	Cramer	Fattah
Boucher	Crenshaw	Ferguson
Flake	Kanjorski	Napolitano
Fletcher	Kaptur	Neal
Foley	Keller	Nethercutt
Forbes	Kelly	Ney
Ford	Kennedy (RI)	Northup
Frank	Kerns	Norwood
Frelinghuysen	Kildee	Nussle
Frost	Kilpatrick	Obey
Gallegly	Kind (WI)	Olver
Ganske	King (NY)	Ortiz
Gekas	Kingston	Osborne
Gibbons	Kirk	Ose
Gilchrest	Kleczka	Otter
Gilman	Knollenberg	Owens
Gonzalez	Kolbe	Oxley
Goode	LaFalce	Pascrell
Goodlatte	LaHood	Pastor
Gordon	Lampson	Paul
Goss	Langevin	Payne
Graham	Lantos	Pelosi
Granger	Largent	Pence
Graves	Larson (CT)	Peterson (PA)
Green (TX)	Latham	Petri
Green (WI)	LaTourette	Phelps
Greenwood	Levin	Pickering
Grucci	Lewis (CA)	Pitts
Hall (OH)	Lewis (GA)	Pombo
Hall (TX)	Lewis (KY)	Pomeroy
Hansen	Linder	Portman
Hart	Lipinski	Price (NC)
Hastings (FL)	Lofgren	Pryce (OH)
Hastings (WA)	Lowey	Putnam
Hayes	Lucas (KY)	Quinn
Hayworth	Lucas (OK)	Radanovich
Herger	Luther	Rahall
Hill	Maloney (CT)	Rangel
Hobson	Maloney (NY)	Regula
Hoeffel	Manzullo	Rehberg
Hoekstra	Markey	Reyes
Holden	Mascara	Reynolds
Honda	Matheson	Rivers
Hooley	Matsui	Rodriguez
Horn	McCarthy (MO)	Roemer
Hostettler	McCarthy (NY)	Rogers (KY)
Houghton	McCollum	Rogers (MI)
Hoyer	McCrery	Rohrabacher
Hunter	McGovern	Ros-Lehtinen
Hutchinson	McHugh	Ross
Hyde	McInnis	Rothman
Inslee	McIntyre	Roukema
Isakson	McKeon	Roybal-Allard
Israel	Meehan	Royce
Issa	Mica	Rush
Jackson (IL)	Millender-McDonald	Ryan (WI)
Jackson-Lee (TX)	Miller (FL)	Ryun (KS)
Jefferson	Miller, Gary	Sanchez
Jenkins	Mink	Sanders
John	Mollohan	Sandlin
Johnson (CT)	Moore	Sawyer
Johnson (IL)	Moran (VA)	Saxton
Johnson, E. B.	Morella	Scarborough
Johnson, Sam	Murtha	Schakowsky
Jones (NC)	Myrick	Schiff
Jones (OH)	Nadler	Schrock
		Scott

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Sensenbrenner	Stark	Udall (CO)
Serrano	Stearns	Upton
Sessions	Stenholm	Velazquez
Shadegg	Strickland	Vitter
Shaw	Stump	Walden
Shays	Sununu	Walsh
Sherman	Sweeney	Watkins (OK)
Sherwood	Tanner	Watson (CA)
Shimkus	Tauscher	Watt (NC)
Shows	Tauzin	Watts (OK)
Shuster	Taylor (NC)	Waxman
Simmons	Terry	Weiner
Simpson	Thomas	Weldon (FL)
Skeen	Thornberry	Weldon (PA)
Skelton	Thune	Wexler
Smith (MI)	Thurman	Wilson
Smith (NJ)	Tiahrt	Wolf
Smith (TX)	Tiberi	Woolsey
Smith (WA)	Tierney	Wu
Snyder	Toomey	Wynn
Solis	Towns	Young (FL)
Souder	Traficant	
Spratt	Turner	

NAYS—52

Aderholt	Hilleary	Ramstad
Baird	Hilliard	Riley
Borski	Hinchey	Sabo
Brady (PA)	Holt	Schaffer
Capuano	Hulshof	Slaughter
Costello	Kennedy (MN)	Stupak
Crane	Kucinich	Taylor (MS)
Crowley	Larsen (WA)	Thompson (CA)
DeFazio	Lee	Thompson (MS)
Delahunt	LoBiondo	Udall (NM)
English	McDermott	Visclosky
Filner	McNulty	Wamp
Fossella	Menendez	Waters
Gephardt	Miller, George	Weller
Gillmor	Moran (KS)	Whitfield
Gutierrez	Oberstar	Wicker
Gutknecht	Pallone	
Hefley	Peterson (MN)	

ANSWERED ''PRESENT''—1

Tancredo

NOT VOTING—12

Berkley	Istook	Meeks (NY)
Engel	Leach	Platts
Harman	McKinney	Spence
Hinojosa	Meek (FL)	Young (AK)

□ 1025

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. BONILLA). Will the gentlewoman from West Virginia (Mrs. CAPITO) come forward and lead the House in the Pledge of Allegiance.

Mrs. CAPITO led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one 1-minute speech prior to the beginning of legislative business today.

THE REVEREND WILLIAM VANDERBLOEMEN

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

Mr. BURR of North Carolina. Mr. Speaker, today I rise to welcome the Reverend William Vanderbloemen to the House Chamber. I have known William's family since my football-playing days at Wake Forest, and it is a pleasure to have such a fine young man here to lead us in prayer as we begin this day's work.

William is a native of Lenoir, North Carolina, and attended Wake Forest University and graduated in 1992 with a degree in history. He then attended seminary at Princeton where he received his Masters in Divinity in 1995, with the goal of becoming a professor or scholarly author; but as his studies intensified, it became clear to him that he would call the pulpit his home.

Mr. Speaker, the Presbyterian faith is better because of his choice. Upon graduating Princeton, William took an associate pastorship at First Presbyterian Church in Hendersonville, North Carolina. After a successful campaign in the mountains of North Carolina, William received a call from Memorial Presbyterian Church in Montgomery, Alabama, to be its head minister.

Memorial Presbyterian Church is a church with a place in the history of the civil rights movement of the last half of the 20th century. Opening shortly after World War II, in the middle of the 1950s, it was the first church in Montgomery to desegregate by offering open seating to members of both races. During the last 5 decades, Memorial has seen many changes, some causing divisions within the church family. In fact, when Reverend Vanderbloemen took over Memorial in 1998, they were meeting in a local YMCA, and 150 members in attendance was a good Sunday. Since 1998, membership has tripled and Memorial Presbyterian opened the first building on its new location on the east side of Montgomery. William founded the InStep Ministries, a series of syndicated radio spots aired daily and on secular stations; and one of the radio pieces prevented a suicide and that person is now a member of Memorial Presbyterian.

William serves on the board of the Presbyterian Coalition, a national gathering of leaders within the Presbyterian Church U.S.A., as well as the Ministerial Board of Advisors to the Reformed Theological Seminary. He and his wife, Melissa, have three children, Matthew who is here with us today, as are Mary and Sarah Catherine.

Mr. Speaker, I know all my colleagues join me in welcoming Reverend Vanderbloemen and thanking him for offering this morning's prayer.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill and concurrent resolutions of the following titles in which the concurrence of the House is requested:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts.

S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union.

S. Con. Res. 53. Concurrent resolution encouraging the development of strategies to reduce hunger and poverty, and to promote free market economies and democratic institutions, in sub-Saharan Africa.

□ 1030

COMMUNITY SOLUTIONS ACT OF 2001

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 196 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 196

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 7) to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets. The bill shall be considered as read for amendment. In lieu of the amendments recommended by the Committees on Ways and Means and the Judiciary now printed in the bill, the amendment in the nature of a substitute printed in the Congressional Record and numbered 1 pursuant to clause 8 of rule XVIII shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York, Representative Conyers of Michigan, or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BONILLA). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

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

Mr. Speaker, to quote the chairman of the Committee on Ways and Means, House Resolution 196 is an ''appropriate'' and fair rule providing for the consideration of H.R. 7, the Community Solutions Act of 2001; and it is consistent with previous rules that our committee has reported and the House has adopted on legislation that amends

the Tax Code. This rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Ways and Means.

After general debate, it will be in order to consider a substitute amendment offered by the minority which is printed in the Committee on Rules report and will be debatable for 1 hour. Finally, the rule permits the minority another opportunity to amend the bill through a motion to recommit, with or without instructions. The rule waives all points of order against consideration of the bill as well as the amendment in the nature of a substitute.

Mr. Speaker, before I go any further, let me take this opportunity to congratulate the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) for all their hard work on this legislation. They are certainly dedicated leaders in the quest to help the poor and the needy, both here and abroad. As our President, George W. Bush, has stated, the Community Solutions Act will allow us ''to enlist, equip, enable, empower, and expand the heroic works of faith-based and community groups all across America.''

The Community Solutions Act features three primary provisions to encourage charitable works. First, it provides important tax incentives to increase charitable giving by allowing more than 80 million taxpayers who do not itemize their returns to take a deduction for charitable contributions. In doing so, we are recognizing that generosity flows not only from the wealthy but just as often from the less affluent, some of whom have worked their way out of poverty and wish to give something back to struggling communities and families. It is not necessarily extra incentives these good souls need, but should we not at least show them appreciation for their philanthropy through equitable treatment under the Tax Code?

The bill goes further to encourage philanthropy by also permitting tax-free distributions from individual retirement accounts for donations to qualified charities.

In addition to individuals, there are businesses that stand ready and willing to help the less fortunate and lift up their communities. H.R. 7 enables this charity through commonsense policies that allow resources to be directed to the needy rather than being discarded. We are a wealthy Nation where resources abound, and we cannot succumb to the luxury of wastefulness. We must do better by our citizens in need, and this legislation embraces that principle.

For example, through an enhanced tax deduction, H.R. 7 encourages restaurants and small businesses to donate food to the hungry that might otherwise perish, uneaten, while children go to bed with empty bellies and seniors choose medicine over food. The bill also helps the business community fulfill their charitable missions by removing the threat of frivolous lawsuits that punish the good deeds of donating equipment, facilities, or vehicles to nonprofit organizations.

Mr. Speaker, these are commonsense, meaningful steps that we can take to make a real difference in people's lives.

''Charitable choice'' is another tenet of H.R. 7. As first established in 1996 and expanded in subsequent years, charitable choice applies to the Temporary Assistance for Needy Families program, or TANF, provisions of welfare and the social services block grant program. The Community Solutions Act appropriately expands charitable choice provisions to include nine new program areas, including juvenile delinquency and prevention, crime prevention, housing, job training, senior citizen programs, community development, domestic violence prevention and intervention and hunger relief.

The Community Solutions Act builds on these existing charitable choice provisions which were signed into law already on four separate occasions. I would note to my colleagues that each of these important laws passed this House with wide bipartisan support and well over 300 votes.

Mr. Speaker, the charitable choice provisions in this bill prohibit the government from discriminating based on religion against organizations that apply to provide services under specified federally funded programs. In other words, charitable choice provides a level playing field for any group, any group, religious or secular, that wishes to compete for Federal social service funding. Charitable choice says that what an organization believes has no bearing whatsoever on how it is evaluated regarding what it can do for the poor and the needy.

In my hometown of Columbus, Ohio, the historic parish of Holy Family Church under the direction of Father Kevin Lutz feeds over 500 people daily in its soup kitchen and provides clothing and needed medical care to those who might otherwise go without. But in addition to the food and the clothing and the medicine, Father Lutz and the many volunteers of Holy Family are proven providers of care and compassion. I am proud of the work they are doing at home in my community. They are able to touch the lives of the needy and the poor in ways that government never can, because those grounded in faith can often provide the steadiest helping hand for those in despair.

Of course, charitable choice and the Community Solutions Act maintain important safeguards to protect the fundamental character of these organizations and to prevent them from discriminating against or proselytizing to the individuals which they serve. As crafted under the bipartisan leadership of the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) and honed by the Committee on the Judiciary, this bill strikes a careful balance between expanding the universe of social care and protecting individual and organizational religious freedom.

Finally, the Community Solutions Act creates individual development accounts which will allow low-income individuals to save and have matching funds so that they can accumulate a small nest egg, maybe enough to allow them to reach the dream of buying their first home or completing a college education or even starting a small business. It is a helping hand for those who need it most, who might never get a leg up any other way.

This is commonsense legislation that encourages charitable giving and enlists the strongest of our allies in our effort to provide desperately needed social services.

Mr. Speaker, we should never turn our backs on those who wish to help in the battle against despair, poverty, crime, and drug addiction. We should never turn our backs on those who have demonstrated an incredibly superior capacity to help over and over, one neighbor at a time. If we do turn our backs on those who seek to help, we turn our backs on those who need the help.

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

Mr. HALL of Ohio. Mr. Speaker, I want to thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me the time, and I yield myself such time as I may consume.

This is what they call a modified closed rule that will allow for consideration of H.R. 7, the Community Solutions Act of 2001, which supports the President's faith-based initiative. As my colleague has described, this rule permits a Democratic substitute and a motion to recommit. This is similar to other rules for tax-related bills.

When the gentleman from Oklahoma (Mr. WATTS) and the White House asked if I would be interested in sponsoring this faith-based initiative, I did not hesitate. It was not much of a stretch for me. It was, as some people have said, a no-brainer. I did not have to think too long or hard about it because I have had a lot of experience with faith-based programs and people of faith. I admire them and what they do.

I am involved with this issue because I am determined to see an end to hunger in America.

My experience with faith-based programs in my hometown of Dayton, Ohio, in Appalachia, here in the District of Columbia and in other countries has shown me that people who work in the field are not just dedicated, they are inspired. They feel called by their faith to make a difference. One of the values of that calling is that it brings new perspectives and encourages creativity and ingenuity.

Over the July 4th recess, I traveled to East Timor and Indonesia and visited poverty alleviation projects. I toured squalid neighborhoods in Jakarta where hundreds of thousands of

people lived in dumps and in conditions not fit for humans. As I visited these projects where repugnant smells were everywhere and hunger and sickness were rampant, I asked the workers why they did this work that they did. I knew what they were going to say to me, because when I ask this question, whether I am in Indonesia; Dayton, Ohio; or rural Appalachia, I always get the same answer. They tell me what motivates them is their faith. I ask them if they tell people about their faith. They say, ''We don't have to.'' ''We don't have to proselytize or force a sermon on them,'' they answer. ''Our faith speaks for itself. We love the people. They respond to our love. And they respond to our programs. They recognize our faith by the work that we do without us forcing it down their throats.''

This bill specifically prohibits Federal funds from being used for sectarian purposes. We need to include everybody in this fight if we ever hope to win the battle against poverty. That means that everybody should have a chance to compete for Federal funds to address our problems. Existing government and nonprofit programs do not have all the answers to these problems. Some have done tremendous work, but we still have 25 million people in the country that are hungry, we have homeless people, we have domestic violence, we have a horrendous drug problem, we have millions of working families and senior citizens that are not making it. The list of challenges goes on and on and on.

Many large faith-based organizations have for years been receiving millions of government dollars, and we have been very happy with their efforts. But what about the thousands of smaller groups that cannot compete for Federal moneys because of burdensome red tape? These programs have few employees. They rely instead on volunteers. They have small budgets, barely keeping their heads above water financially. That is what this bill is about, including these smaller groups that are motivated by their love and faith to work in areas where nobody else will work.

In Vinton County which is one of Ohio's poorest counties, I recently visited CARE United Methodist Outreach. It is an organization that distributes food, household necessities, clothing; it gives help with job assistance, almost anything that a person might need. A long way from Vinton County, just a few minutes from here across the river in Anacostia, is a program called The House. It is an initiative that works with youth from Anacostia High School in one of the toughest neighborhoods in the District of Columbia.

□ 1045

These are just two of the thousands of examples of small faith-based community-minded organizations working where no one else will go. Actually, if these two groups were not there, nobody would be there.

This bill will allow these religious organizations to compete on a level playing field. This is not about favoring certain religions; it is about funding the groups that will get the best results in caring for the least, the last, and the lost.

Problems in our country are real, and many are getting worse; and none of them are going away without some response. If faith-based groups can respond effectively, I think we should encourage them to do so.

I urge my colleagues to make finding solutions to these problems a priority, and I hope that they will give faith-based groups no less a chance than their secular counterparts have.

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

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), a member of the Committee on the Judiciary.

Mr. GEKAS. Mr. Speaker, I rise in support of the rule that is before us and for the debate that follows.

At first I had been considering appearing before the Committee on Rules to try to make in order some kind of amendment that would prevent cults and other fringe groups or groups that would gather together and form for the purpose of trying to take advantage of the new programs, new spending programs, that would be accorded by this legislation. Since then, in reviewing the legislation and in conferences with other Members and with other individuals outside the Congress, I am convinced that a so-called cult cannot succeed in applying or qualifying for one of these programs.

Why? It is a certainty that these programs are going to be based on the experience and track records mostly of existing faith-based organizations, rather than doing the kind of work we contemplate for years. So we have a foundation upon which these programs can be based.

In conversations with the gentleman from Wisconsin (Mr. GREEN), who did an extensive study of these very same questions, he further satisfied me that my worries about cults being eligible for these programs is not founded on reality.

So, I have no need, did have no need, have no need now, to try to add provisions to this to guard specifically against the dangerous cult, as I view it.

Mr. Speaker, I am satisfied that the rule will allow for a full debate that will encompass all the purposes of the legislation, without indulging in allowing loopholes for fringe groups to enter the process.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, this rule is terribly unfair. The gentleman from Ohio said, well, this is how we treat tax bills. But this is hardly a tax bill. There is a very small piece of it that is tax related. The great bulk of it is the social service aspect. It is very important.

I am very proud of the work I have done with faith-based groups. I care a lot about housing, and the Catholic Archdiocese of Boston has a wonderful record in housing. In area after area, I have been proud to cooperate with them. But none of those organizations have told me that they needed the right to discriminate or ignore State and local anti-discrimination laws.

That is what this bill does. I will insert into the RECORD here pages from the transcript which will show the chairman of the committee acknowledging that it preempts State and local anti-discrimination laws, and the gentleman from Florida (Mr. SCARBOROUGH) explaining why it is important that Jewish groups be allowed to discriminate in the serving of soup by not hiring non-Jews. I disagree with both of those. I wish we had ample time to debate them.

Mr. FRANK. There are further questions that we have. There is also this list, the non-discrimination statutes, that must be followed. They are the Federal statutes. Some States have decided to go beyond what the Federal Government has done in preventing discrimination, and I would ask, because it's not clear to me, is this preemptive of State employment discrimination laws other than those which might track the Federal one? I would yield to anyone who could give me the answer to that. By specifying the Federal anti-discrimination laws that apply, does this mean that State anti-discrimination laws which cover subjects not covered under the Federal law, would be preempted in effect, and the religious organizations would not have to apply—follow them? I would yield to anyone who would answer that.

Chairman SENSENBRENNER. Will the gentleman yield?

Mr. FRANK. Yes, Mr. Chairman.

Chairman SENSENBRENNER. I'll answer the second part of our question and I'll seek my own time for the first part. The second part, relative to Federal preemption. Federal law applies where Federal funds go, and State law does not apply. If the religious organization accepted State funds, and by implication, local government funds, then State laws would apply to them as well.

Mr. FRANK. So it would preempt State laws or allow them to——

Chairman SENSENBRENNER. It would allow them to ignore State laws when Federal—only Federal funds are used, but would not allow them to ignore State laws when State funds are used.

Mr. FRANK. What if there was a mix of Federal funds and private funds?

Chairman SENSENBRENNER. Then they could ignore State laws.

Mr. FRANK. That seems to me to be a serious flaw and hardly consistent with the sporadic States' rights professions that we hear from the other side. The principle ought not to be that you can get out of following a State's enactment because you have accepted some Federal funds, and the Chairman has very straightforwardly made it clear. If you get some Federal funds and you have some of your own funds, you might—not might—you are then allowed to ignore a State law that would otherwise be binding on you. I do not think we ought to be embodying the principle that the acceptance of Federal funds somehow then cancels State law.

There are a number of things. For instance, the States get highway money from

the Federal Government. Does that principal apply? Should we then say that a State highway department can ignore its State's own laws with regard—or contractors getting the State highway money? That, really, frankly, surprises me in the very radical nature of a repudiation of what the State can do. In other words, you are in the State and you have set a policy that there will not be discrimination based on this or that or the other, other than what the Federal Government does. And an organization in your State, which decides to do a program, and it's got 70 percent of its money, and it gets 30 percent of the Federal money, that Federal money now becomes a license to ignore State anti-discrimination law. If there's a conflict between the laws, then the Federal would apply, but I had not previously thought it would be

Mr. SCARBOROUGH. I do believe, although it has not been articulated well, and I'm not trying to persuade you, I'm just merely saying that there are some of us that believe this that may not be able to articulate it very well, that there is a culture in, let's say, an urban Protestant Church that is separate from a culture in, let's say, an urban synagogue or in a Catholic Church that is separate from another.

And I see Ms. Waters. She's about to explode, and I'm sure I'm going to be a bigot, and this, that, and the other, but I'm just saying there is——

Chairman SENSENBRENNER. The Chair is prepared to declare a 30-second recess.

Mr. SCARBOROUGH. Why is that?

Chairman SENSENBRENNER. So that nobody explodes. We don't want that to happen.

Mr. SCARBOROUGH. I love Ms. Waters——

[Laughter.]

Mr. SCARBOROUGH. I love Ms. Waters, and Ms. Waters loves me. She hugs me on the floor every chance she gets. That's why she got up. She couldn't resist herself. [Laughter.]

But there is a culture, seriously, there is an inherent culture in these organizations, like, for instance, and I'll talk about my church. I'm Southern Baptist. I disagree with a lot of things they believe about people who are divorced not being able to be deacons or, or women not being able to preach, all right? But I do know that there are Southern—and if that offends me, I can, I can take a hike. But there are, even though I disagree with some of the things that people in the Southern Baptist Church believe in, they can effectively deliver services because of the culture of whether it's First Baptist Church of Pensacola or——

Mr. WEINER. Will the gentleman yield on that point?

Mr. SCARBOROUGH. Yes, sir, I will.

Mr. WEINER. Would the gentleman yield on that? And I'm convinced the Southern Baptist Church can deliver those under this bill.

Perhaps you can enlighten me, and using the example of the Southern Baptist Church or whatever you referred to, someone coming in for a job interview to work in a job training program to teach typing to someone who had been laid off——

Mr. SCARBOROUGH. Right.

Mr. WEINER. Why is it, give me an example, just so I can fully get my mind around it, why is it necessary that they be Baptist and why is it not only necessary, why is it so important to this program that it means offending 35 or 40 Members around here who might be willing to make this a bill that 300 people can vote for?

Mr. SCARBOROUGH. Yeah, well, I don't think it's—reclaiming my time—I don't think it's necessary. And, obviously, I think most of us on this panel, I would hope, would agree that it would be extraordinarily bigoted for any, any organization, be it a faith-based or secular organization, to prevent people from being hired. But I think the biggest concern is compelling, for instance, a synagogue in a certain area to hire a fundamentalist, right wing, religious, whatever, that would, after all——

Mr. WEINER. Typing teacher?

Mr. SCARBOROUGH. Hold on a second. Hold on a second.

Mr. WEINER. What does a right-wing typing teacher do, only type with the right hand?

Mr. SCARBOROUGH. We're talking about, and again——

[Laughter.]

Mr. SCARBOROUGH. Again, if you want to get laughs, that's fine, but, for instance, delivering soup, let's say, for instance, in an area that's heavily served, let's say a synagogue in an urban part of the area, listen, they want to get their soup. They don't want to hear somebody with views that's completely different from their own views. And I understand, I understand what the bill says that they're not allowed to do that. But, again, if you compel these organizations, again, whose culture, many Americans believe, allow faith-based organizations to deliver services more effectively than, say, the Department of HHS——

Chairman SENSENBRENNER. The time of the gentleman has expired.

Mr. SCARBOROUGH [continuing]. There's a risk of changing the very culture of those organizations.

Ms. LOFGREN. Mr. Chairman.

Chairman SENSENBRENNER. The time of the gentleman has expired.

Mr. SCARBOROUGH. Thank you.

Chairman SENSENBRENNER. For what purpose does the gentlewoman from California, Ms. Lofgren, seek recognition?

Ms. LOFGREN. To strike the last word.

Chairman SENSENBRENNER. The gentlewoman is recognized for 5 minutes.

Ms. LOFGREN. I—I was fascinated by the last exchange because, apparently, even though there is a prohibition on proselytizing, the reality would be that there would be proselytizing, and therefore we need to make sure that religious institutions can discriminate against people who are not of their religion so that they can violate this statute, which I think is a very odd proposition.

But I would just, going back to my experience in local government, I would just like to say I think this bill is a, is a solution in search of a problem. I mean, we used all kinds of contracts with religious-based organizations. Catholic Charities ran the Immigration Counseling Center. The only instance in my 14 years on the Board of Supervisors that ever came to my attention that someone, a religious group felt that they might not be—having treated fairly, was an evangelical church who wondered were they being treated fairly, and I met with them, and we made sure that they were brought into the opportunity to provide food through the food service, the largest faith-based group in Santa Clara County, PAC, which has, I think now, 17 parishes and churches. They provide homework centers, the biggest homework centers for all the kids after school. They wouldn't even consider discriminating against a tutor based on their religion, and Catholic Charities wouldn't even consider discriminating against a psychologist in hiring for one of the programs, the mental health programs they run. It would be inconceivable.

So I really strongly believe that Mr. Scott's amendment is necessary and that this bill is probably not, but I would like to yield to Mr. Scott, at this point.

Mr. Speaker, this rule does a terrible disservice to democracy. This is a fundamentally important issue. Many of us are in favor of helping the faith-based groups, but want to put some safeguards in. There are complicated issues. Instead, we are told we get one substitute and one recommittal. The recommittal gets 10 minutes of debate.

This forces fundamental, philosophical, constitutional, and moral issues of great importance into a shoehorn, apparently because the majority did not want to debate them.

We are going to be told, well, you should not lump all these things together. We only wanted four or five amendments. We are only getting a couple of hours of debate on this fundamental issue, when we spend much more time on things of less significance.

I will say this: Members who say, well, I could not vote for that recommittal, I could not vote for that substitute because it did not have everything I wanted, it had too much in there, then vote against the rule.

Let us vote down this rule, and let us take this bill up where we can offer amendments that deal with these serious moral and constitutional issues in a significant way. Unfortunately, we are going to have a debate in which there are going to be all kinds of charges of mission representation, because the rule does not allow us time to air them.

But I want to just close by saying again, the chairman of the committee honestly acknowledged that it preempts State and local anti-discrimination laws where they use Federal laws, and others have talked about the right to discriminate religiously in hiring for secular purposes. Those should not be allowed to stand.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. I thank the gentlewoman for yielding me time.

I do agree with my colleague from Massachusetts that these are sensitive issues and weighty subjects that we debated today. Like everyone, when I first looked at this legislation, I had questions. It is complicated, it is complex, and it does touch upon delicate issues.

But I am proud of the work that has been done in this bill as it has moved forward. I am proud of the work that the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentleman from California (Chairman THOMAS) have done.

This bill is constitutional, this bill is workable, this bill is the right thing to do. It has strong accountability provisions. It requires separate accounts for the Federal dollars. It has opt-out provisions. It has secular alternative requirements.

This bill builds on current law. The religious exemption that we are going to hear about so often today is current law. It has been law for years. This body has reinforced this law on bipartisan votes several times.

In many ways, this bill is nothing new, because much of this is in current law; but in many ways, fundamental ways, it is new, because it opens up to new services, it opens up to new battles, it opens us up to new communities. With this bill, we can make a difference in lives, in neighborhoods, in communities all across America. This is the right thing to do.

Our President has pledged us as a Nation in his inaugural address that when we see that wounded traveler on the road to Jericho, we will not step to the other side. This legislation will ensure that that is the case.

I am proud of this legislation. I think this rule makes sense. I look forward to the debate, and I look forward to passing this law and sending it on to the Senate and the President's desk.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, I thank the gentleman from Ohio for yielding me time.

Mr. Speaker, I appreciate the opportunity presented because of this bill being introduced. I rise today to express my strong support of H.R. 7, the Community Solutions Act of 2001. This bill is long overdue.

I come from a small town in rural Mississippi called Bassfield, population 350, which is home to a few hundred families who work hard every day. I invite you and my colleagues to visit Bassfield and see what it is like in a real small town outside the Beltway. In my town, churches and other houses of worship and religious institutions are the bedrock of the community. This is true in small towns and big cities across the country.

Where I come from, faith and family are common values; and, unlike Washington, when people in Bassfield need help, they do not look to the Government first, they look to the family and neighbors.

We cannot put a fence around the churches in Bassfield or anywhere else. It is impossible, because religious institutions are and will always be central to the lives of our communities. They do it because it is the right thing to do, and they do it well.

It does not make sense to reinvent the wheel to establish government programs to provide services in communities where services already exist in an overzealous effort to isolate religious from public policy.

We must respect the foresight of our Founding Fathers, who knew that our new democracy could not permit one religion to prevail over others. But they also knew that our country was funded on the basic freedom to express one's religion, not to silence it. While we must respect the separation of church and State, we must also respect the rights of people of faith.

Mr. Speaker, we always walk a fine line when we consider religion and public policy in the same breath; but in the Community Solutions Act, I believe we have crafted a bill that respects the separation of church and State, and, at the same time, tolerates the rights of all Americans to practice their religion.

We have crafted a measure that affords people in big cities and small towns across the country the opportunity to receive essential services from the people who know them best, their faith-based institutions that already are the core of their communities. In a civil society in our democracy we tolerate the views and religions of others. In this spirit, I believe we can allow faith-based institutions to be our partners in communities. Indeed, they already are.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. STEARNS. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, let me address two points. I do not know if my colleague from Massachusetts is still in the Chamber, but this Charitable Choice exists in Federal programs already. In addition, the House has provided passage of Charitable Choice in child support, the Home Ownership Act, Fathers Count Act of 11/10/99, and also the Juvenile Justice bill. So we have four cases where Charitable Choice is already in place.

So for folks to come on the House floor and say vote against the rule because this is not fair, this is a great constitutional question, that is not true. However, President Clinton already signed into law four of these Charitable Choice pieces of legislation.

Mr. Speaker, I am here because contained in the base bill, I have a bill that was incorporated, and I want to thank the gentleman from California (Chairman THOMAS) and the gentleman from Oklahoma (Mr. WATTS) for giving consideration to my bill, which repeals the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Committee on Ways and Means for eliminating the two-tier system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in 1969 as a way to offset the cost of government audit of these charitable organizations. In 1990, the excise tax raised $204 million, and they conducted 1,200 audits of private foundations. Then in 1999, the excise tax raised $500 million, and the IRS only did roughly about 200 audits.

So private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of their fair market value of the foundation's endowment assets. The excise tax acts as a credit in reducing this requirement.

So I am glad my bill is part of the base bill. It is a tax cut. I want to again remind my colleagues to vote for the rule.

Mr. Speaker, I first want to thank Chairman THOMAS, along with Congressman WATTS, for giving consideration to my bill H.R. 804—a bill to repeal the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Ways and Means Committee for eliminating the two-tiered system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in the Tax Reform Act of 1969 as a way to offset the cost of government audits of these organizations. In 1990, the excise tax raised $204 million and the IRS conducted 1,200 audits of private foundations. In 1999, the last year for which figures are available, the excise tax raised $499.6 million with the IRS conducting 191 audits.

Private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of the fair market value of the foundation's endowment assets. The excise tax paid acts as a credit in reducing the 5 percent requirement.

By reducing the excise tax, we are placing needed money into the hands of our nation's charities. I thank Chairman THOMAS and Congressman WATTS for their leadership and support.

Across this country, faith-based charitable organizations have brought healing to broken lives and suffering communities by providing emergency services, drug treatment, after school programs, as well as many other vital services. However, too often the Federal Government has valued process over performance and not welcomed faith-based charities as partners in fighting social ills.

To address this bias Congress has repeatedly supported a program called Charitable Choice. This idea is not revolutionary. It has been adopted four separate times by bipartisan majorities and was signed into law by President Clinton each time, the first being the landmark welfare reform legislation in 1996. Charitable Choice is bipartisan, consensus law that expands options for needy Americans while safeguarding the character of faith-based charities and protects the rights of beneficiaries.

In fact, it already exists in Federal law and applies to three domestic programs. It enjoys broad support because it is not a special fund for religious charities; it simply makes faith-based groups eligible to compete for Federal dollars.

Charitable Choice corrects this prejudice that discriminates against charities on the sole basis of their belief system. This program because it is grounded in the Constitution, requires nondiscrimination. It includes all people of goodwill—whether Methodists, Muslim, Mormon, or good people of no faith at all.

It preserves the first amendment because it insists on a separation between programs operating on the Federal dollar and those operating on the private dollar. Faith-based organizations may make federal programs available

by advocating values but not engaging in religious worship.

The question then becomes, why would any faith-based group want to participate with these limitations. The answer is that the funding is always going to be there and therefore will we continue to discriminate or will we open the process and ferret out discrimination.

Charitable Choice is about funding affective public services, not religious worship. It explicitly states that no direct funds ''may be expended for sectarian worship, instruction or proselytization.'' While securing this separation, it also allows ''conversion-centered'' groups to participate via vouchers. This is nothing new in Federal law. Since 1990, low-income parents have used vouchers to enroll their children in thoroughly religious child-care services.

This voucher option is critical for beneficiaries because when helping needy Americans one size does not fit all.

Charitable Choice offers assistance in both the form of vouchers (to recipients) and grants (to organizations) to fund civic assistance programs. This variety expands service to needy Americans because it allows them to participate in a program that suits them without respect to religion.

The President established the office of Faith-based and Community Initiatives, which is the first of its kind, to correct this glaring discreptency. The purpose of this office is to devise a constitutional means by which religious organizations are brought to the table and allowed to compete for Federal moneys regardless of their belief system.

This is consistent with the President's objective to unleash private money for public good. It establishes charitable giving incentives for taxpayers to increase the level of money given directly to public service organizations.

Charitable Choice allows faith-based and secular civic organizations to compete on the basis of the same criteria. Charitable Choice asks the question, ''What can you do?'' rather than ''Who are you?'' It holds both the religious and secular civic organizations to the same standard: Results.

It is our responsibility to expand the range of care for people in crisis and Charitable Choice is an innovative way of achieving that goal. It is a way to empower that which is small and holistic.

American's deserve a variety of alternatives; the goal is not to favor one group or belief system over another but to simply level the playing field such that any effective social service is made eligible for Federal moneys already designated for public services. It doesn't favor any religious organization; it only ends some of the burdens that often impede them. Surely this is something that every American can support.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I rise in opposition to the rule. It is clear that the majority is avoiding the amendment process because they cannot defend the underlying bill. I offered an amendment that was rejected in Rules that would have required agencies when making funding decisions to consider objective merits when they consider the proposals.

Now, I would like to ask, if you are not using objective merits, are the Federal officials supposed to just pick and choose between the religions based on the religion they like the best?

In addition to discriminating in the grant process, it prevents amendments on the issue of whether we ought to roll back civil rights by 60 years. The Leadership Conference on Civil Rights, the NAACP, a host of other organizations, oppose this bill because of what it does to civil rights.

We have heard we are not changing any present laws. Well, if you are not changing any present laws, you do not need a bill. This changes present laws, and that is the major controversy in the bill. We have not been able to discriminate in Federal contracts based on religion for decades. You can under this bill.

In fact, this bill is not about small organizations, and it is not about faith organizations. Any program that can get funded under this bill can get funded today, except those sponsored by organizations who insist on discriminating based on religion.

□ 1100

We ought to have a process where we can debate the question of discrimination in this bill. We ought to have a rule that allows that; this rule does not, and therefore, this rule ought to be rejected.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER), my distinguished colleague.

Mr. SOUDER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

First, I want to make a comment on the rule itself, which is this debate. The gentleman from Virginia just commented that he was frustrated that the rule does not allow for the ability to offer amendments. I cast a very difficult vote the other day. I do not favor campaign finance reform, but I believe that our leadership had been trying to work out a way for Shays-Meehan to have a straight up-or-down vote. In fact, this is what we need on charitable choice and this is what we need in health care.

I believe this rule is fair. Most Members of this House, in effect, both on this side and on the other side, argued for a rule that gave people who are arguing a position the ability to have a vote on their bill, and I believe this bill falls into the same category as campaign finance reform, the Fletcher medical bill, and other bills. When we have these conflicts where there are two clear sides, we ought to have straight up-or-down votes on those bills.

Secondly, while the gentleman from Virginia (Mr. SCOTT) is technically correct that this bill is different, it actually protects current religious exemptions. It does not change the religious freedom law. What we have done in this country is said that people who want to preserve their religious freedom are not eligible, even if they do not proselytize, even if they are just distributing soup to the hungry or if they are building a home for somebody who is homeless or if they are helping somebody who is dying of AIDS. Even if they do no evangelization, even if they do not pray with that individual, they are not allowed to build the house unless they change their entire religion or basic beliefs. That is what religious freedom is in this country, and that is what this bill is trying to uphold with current procedures as to how we do charitable work in this country so as to not step on religious freedom, and this bill attempts to rectify that.

Mr. HALL of Ohio. Mr. Speaker I yield 2 minutes to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding me this time. I might say about the gentleman, he is a champion, not only in the United States but worldwide, when it comes to hunger and fighting hunger.

I rise today in support of the rule, in support of H.R. 7, The Community Solutions Act of 2001. The heart of the so-called faith-based program would allow religious organizations to bid for Federal funds to feed the hungry, fight juvenile crime, assist older Americans, aid students, and help welfare recipients find work, among other charitable activities. I applaud the tremendous work that faith-based organizations have done to provide much-needed services to our communities.

Organizations such as the Nashville Rescue Mission in my district offer a hand up to those in need without any influx of Federal dollars. This legislation would give the mission and other groups the opportunity to compete for such funds should they so desire. These important faith-based service programs no doubt play an extremely important role in transforming lives as they daily reach out to the less fortunate in Tennessee and across the Nation. The time has come to recognize these unique entities by passing charitable choice legislation.

Charitable choice simply means equal access by faith-based organizations when they compete with other organizations for Federal social service contracts. Nothing is guaranteed. They must compete with everyone else and demonstrate their proven effectiveness in providing basic social services before they will be awarded Federal grants. Charitable choice is not a new idea. Existing charitable choice programs and national programs across the country have benefited thousands of people.

Faith-based organizations have long been on the front lines of helping our communities' most needy and broken. They have taken on the challenges of society that others have left behind. It is time that the Federal Government recognized the work they do and assist them in meeting these challenges. Let us improve our delivery system; let us support this bill and pass it.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I would like my colleagues to join me in a little visualization, the Members that are gathered here and perhaps others here in the Chamber. This story, I will give credit, came from John Fund who is an editorial writer, and I would like you all to close your eyes for a minute if it makes it easier. Imagine for a minute that you go home today and open your mail and there is a letter there from an attorney who is a long ways away, and as you read that letter you realize that you have been named an heir to an enormous fortune that you did not even know existed and, all of a sudden, you are wealthy beyond your wildest dreams. Think about that for just a minute. You think, this is a windfall. I would like to take a significant portion of this money that I did not know I was going to get and I would like to put it into something that will help the less fortunate. Think about that for a minute. What would you do with that windfall? How would you help the less fortunate?

Now, be honest. How many of you, the first thing you thought of was, I know, I will give the money to the Federal Government.

Now, you might have thought about giving the money to the Salvation Army, you might have thought about giving it to the Red Cross, to a church group, to some other organization, but I will guarantee very few people gathered here in this Chamber today, very few Americans, the very first thing they would have said is, I know, I will give the money to the Federal Government.

That is what this bill is really all about. Let us give faith a chance. We all know deep down in our bones that we have wasted billions of dollars over the last 20 or 30 years in failed social programs run by the Federal bureaucracy. All this bill simply says is, give faith a chance.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, my husband, my children and I have among us 100 years of Catholic education. That education has taught us our responsibilities to the poor and the mission of the Gospel of Matthew. Indeed, the gentleman from Ohio (Mr. HALL) is the living embodiment of the gospel of Matthew to minister to the needs of the hungry, the homeless, and others in need. That Catholic education has also taught us to oppose discrimination in every place in our country. That is why I have to oppose this legislation, H.R. 7, that is before us today.

I am very proud that Catholic charities is the largest private network of social service agencies in the country, but in order to receive Federal funds, which they do now, Catholic charities and other religious affiliated nonprofits must agree to abide by all applicable antidiscrimination laws and to provide services without religious proselytizing. H.R. 7 would remove those important protections.

So as a Catholic and one driven by the Gospel of Matthew and proud of the work that our nonprofits and all denominations do, what is the problem with this bill? The problem is that today, this House will vote to legalize discrimination as we minister to the needs of the poor. I hope that course of action will not be taken, and I urge my colleagues to oppose this unfair rule and to oppose H.R. 7.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SMITH), a member of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), a member of the Committee on Rules, for yielding time to me.

Mr. Speaker, I am happy to support our Nation's faith-based organizations. I want to mention some people back home who are doing this kind of work. In downtown San Antonio at the Little Church of La Villita, for almost 40 years, people like Cleo Edmonds and David Gross have given their time and resources to feed the hungry. They feed about 100 people each day, primarily single mothers. Some people come in to get a meal; others to get groceries.

In addition to meeting the nutritional needs of those who come seeking help, the Little Church of La Villita meets the spiritual needs in our community, offering prayer and counseling to those who request it.

Some want to tell us that the faithful should leave their faith at the door. But, Mr. Speaker, everyone involved in serving the poor has faith; everyone has convictions. The only difference is that some believe in the power of God and some believe in the power of government.

The Constitution does not envision a government devoid of all religion; rather, it envisions a rich menagerie of faiths, a patchwork of beliefs and convictions, all under the protection of one Constitution.

Whether or not this bill becomes law, the Little Church of La Villita will continue its work. The question is not: Does the Little Church of La Villita need government money? The question is: Does the government need places like the Little Church of La Villita?

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I feel like I am caught between a rock and a hard place. I say that because I support the concepts of faith-based initiatives. I support the elements of this legislation. I think it is going to go a long way towards finding solutions and helping address some of the many social ills and problems.

On the other hand, I do not believe that we can allow any hint of discrimination or the opportunity to discriminate against any segment of our population, no matter whether we are dealing with race, color, national origin, sexual orientation, it matters not. Each and every human being in this country must feel that they have equal protection under the law, must know that they are not going to be discriminated against.

While I hope that we will end up at the end of the day having passed this legislation, I hope we will end up at the end of the day sending a message to all of America that we will not allow discrimination in any shape, form, or fashion.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, let me thank the gentlewoman from Ohio for yielding me this time.

Mr. Speaker, I am pleased today to rise in support of President Bush's charitable choice initiative, the Community Solutions Act of 2001. I wish to thank the gentleman from Wisconsin (Mr. SENSENBRENNER) of the Committee on the Judiciary and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their diligent efforts in crafting this legislation which has taken into account many different points of view.

As chairman of the Committee on Education and the Workforce, I am pleased that the legislation clearly indicates that faith-based organizations will be able to compete to provide services under several programs within our committee's jurisdiction. Every day throughout our Nation, community and faith-based organizations are playing a key role in meeting the needs of many Americans. Whether operating a soup kitchen, helping to build homes, providing child care, or providing training to welfare recipients, community and faith-based organizations are reaching out to others, and, in doing so, improving the quality of life for many Americans.

President Bush has called them ''armies of compassion''; and, indeed, these organizations have demonstrated compassion on many fronts: caring for children after school, providing emergency food and shelter, offering mentoring and counseling, uplifting families of prisoners, and helping to rescue young men and women from gangs and violence.

While many of these organizations have had success, some faith-based organizations have faced barriers in accessing Federal funds. H.R. 7, the Community Solutions Act, addresses this problem by making Federal programs friendlier to faith-based organizations. It will enable these organizations to compete for Federal funds and grants on the same basis as other organizations; and, in short, it will ensure that they have a seat at the table with other nonprofit providers.

Charitable choice is not a new idea, and over the past several years, Democrats and Republicans alike have voted for charitable choice in the Welfare Reform Act, the community services block grant law, and two substance abuse laws under the public health services act. The Community Solutions Act of 2001 represents a logical extension of these laws and would expand charitable choice to juvenile justice programs, housing programs, employment and training programs, child abuse, and violence prevention programs, hunger relief activities, high school equivalency and adult education programs, after-school programs and programs under the Older Americans Act, as well as many more.

□ 1115

For those who might be concerned about the excessive entanglement of religion in H.R. 7, it prohibits faith-based organizations from discriminating against participants on the basis of religion, a religious belief, or a refusal to hold a religious belief.

Other safeguards include a prohibition on using government funds for religious worship, instruction or proselytizing, and a requirement for separate accounting for the government funds.

Finally, if one objects to receiving services from a faith-based provider, alternative providers must be made available.

I think another important part of this legislation is the expansion of charitable deductions to those who do not itemize on their tax returns. One organization in my home State that would benefit from this change in tax law, as well as the charitable choice provisions, is Reach Out Lakota, located in West Chester, Ohio. This group began nearly 8 years ago after a one-time Christmas charity event, and now has expanded into a year-round organization which provides food, clothing, and other social services to about 45 families each month.

It is this kind of organization and this kind of involvement by community and faith-based organizations that I think is truly making a difference in the lives of many Americans. It is this kind of involvement that the Federal Government should be promoting and encouraging, the kind of involvement that H.R. 7 envisions.

I urge my colleagues to support President Bush in his efforts to transform cities and neighborhoods all across the land. I will ask all of my colleagues to vote for the rule and to vote for this most important bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise in opposition to this rule because it forces Members who have genuine concerns about some very troublesome elements of the bill to raise all those concerns in a single substitute motion.

This rule permits not a single amendment to this bill to be heard on the floor. We will not be allowed to have clear votes on any of these questions, so the majority can shield from scrutiny the fiscal irresponsibility contained in this bill, the legislative green light in this bill for invidious discrimination, the nullification of State and local antidiscrimination laws contained in this bill.

Their effort to allow the administration to completely rewrite the billions of dollars of social service programs into vouchers, without any legislative investigation into what we are talking about there, without congressional consideration, and allowing religious groups to subject the most vulnerable in our society to religious pressure and proselytizing using Federal dollars.

Why are they so afraid of open and unstrained debate on this bill that makes such radical changes to our laws regarding religious freedom and the provision of social services? Why are they afraid to have clean up or down votes on these various issues? Does it have anything to do with the fear that those radical proposals considered one by one might not pass this body? Does it have anything to do with the fact that they are having trouble holding their own Members in line to vote for legalizing religious discrimination with taxpayer dollars?

This is compassion? This is what the majority thinks of our first freedom? This is what the Republican leadership and the compassionate conservative in the White House think of the merits of this proposal, that they will not permit amendments to be introduced on the floor and considered and voted on?

This House should have the chance to look carefully at each of these issues within this bill separately. We should have the chance to vote on these issues separately. We should have the chance to consider separately the several radical changes this bill would make in the very good and satisfactory way that religious organizations have been competing for and winning and using Federal funds for providing social services for the last 6 or 7 decades.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1½ minutes to my distinguished colleague, the gentleman from Ohio (Mr. TRAFICANT).

Mr. HALL of Ohio. Mr. Speaker, I also yield 1 minute to the gentleman from Ohio.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Ohio (Mr. TRAFICANT) is recognized for 2½ minutes.

Mr. TRAFICANT. Mr. Speaker, let us cut to the chase here. Opponents say that the Constitution separates church and State. Let us get down to business. But all legislative history clearly states and reflects the fact that the Founders' intent was only to prohibit the establishment of one state-sponsored religion.

The Founders put God on our buildings, the Founders put God on our currency, and the Founders never intended to separate God and the American people.

Think about what is happening in America. We have guns, drugs, murder in our schools, but prayer and God in our schools is actually prohibited by our government, we the people. Beam me up, Mr. Speaker. The Founders are rolling over in their graves.

I say today on the House floor, a nation that denies God is a nation that invites the devil and welcomes massive social problems, and that is exactly what is happening in America. Look around.

I stand here today in strong support of President Bush's initiative. I want to commend the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) for their great leadership in taking America back to the intended course that our Founders had planned for our great Nation, founded on religious liberty.

We have let a few people in America decide what faith means. It is time to change that. This is the place to start. I commend those who are responsible for this great initiative.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding time to me.

Today I rise in strong opposition to this rule and this bill. As one who attended a Catholic school for 8 years, and a person of very deep faith, I believe faith-based organizations do enormous good in our communities, our country, and across the world helping millions of people. They feed the hungry, heal the sick, house the homeless.

Nonprofit religious organizations should be supported with increased funding and technical assistance. That is what charitable choice should do. There is not one cent in this bill to help these organizations in their noble work.

However, providing Federal funding directly to churches, synagogues, and houses of worships, mosques, which this bill does, represents direct government intrusion into matters of faith. Government cannot and government should not interfere with the practice of religion.

This bill subjects houses of worship to government control. Mr. Speaker, the IRS will have a field day. This bill will allow government-sponsored discrimination. It tramples State and local civil rights laws, and allows the use of Federal taxpayer dollars to fund discrimination in employment.

For example, it would allow organizations to refuse to hire Jews, Catholics, African American Baptists, depending on their religious policies and practices of their denomination. It would use taxpayer funds to fund that discrimination.

That is intolerable. Our government cannot turn its back on decades of fighting against discrimination and start funding discrimination. I urge Members to oppose this rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to

my friend and distinguished colleague, the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I stand in strong support of this rule. I am a little confused. Those who are against it are saying they are against it because they cannot get their amendments in. Yet, that same group last week, when the Committee on Rules said, let us have a campaign finance reform bill with lots of amendments, they were totally against that rule. So the reality is here they are against H.R. 7.

Let us review. In 1996, President Clinton, a liberal Democrat, signed into law welfare reform, welfare reform which said that faith-based organizations could participate in the delivery of some certain welfare services. The sky did not fall. For some reason, the sky is still up there.

All this does, H.R. 7, is say, we are going to take the 1996 bedrock signed by President Clinton and expand it to say that faith-based organizations who participate in some form of social services can be eligible to compete for Federal grants that fund such services.

Therefore, St. Paul's A.M.E. Church in Savannah, Georgia, run by Reverend Delaney, in all of his services of food and shelter and education and health care and family structure and family counseling, what they are saying to him is, ''Reverend Delaney, if you can divide the soup from the sermon, then what we will do is we will let you compete for a grant to feed the hungry. And what really matters is the full stomach here. That is the Federal Government's interest, not the conversion. You have to divide the soup in the sermon. But if you are doing a good job based on outcome, we are going to let you compete for that grant.'' That is what the Federal Government interest is, is the outcome.

If the Federal Government and all our Federal agencies were doing such a darned good job of delivering these services, we should have wiped out poverty, because since 1964 we have spent more on the war on poverty than we did to fight World War II.

It is not working. They need a helping hand. Let those who know the recipients, who live in the same ZIP Code and area code, let them compete for this money. They will do a good job.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I find it very interesting to serve in a body where the Committee on Rules 1 week decides that democracy is all about debating every single amendment separately, and then the very next week decides that it will not allow a separate debate on an amendment that would eliminate the ability of religious institutions to discriminate in their employment practices and remove the offensive provision that everybody is concerned about from this bill.

This is not a debate about government versus God. We made that choice when the Founding Fathers wrote into the Constitution ''one Nation, under God,'' and we have been living with that choice ever since.

But we made a different choice in 1965 when we outlawed discrimination in this country. It was not a unanimous decision by the Nation at that time, but I am appalled 20 or 40 years later now to be debating the issue of whether we will allow religious discrimination to be engaged in in the delivery of services by church institutions, and we are doing it in the name of God.

The gentleman from Pennsylvania (Mr. TRAFICANT) said, ''Beam me up.'' I want to be beamed up on that false choice. We should have a rule that allows us to offer an amendment to strike this offensive provision from this bill, and then we would have almost unanimous support for the bill. But they would rather have the issue than the support.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Ohio for yielding time to me. I thank the Speaker for the opportunity to characterize this date of history that we have today as a debate on a very crucial issue dealing with our view and commitment to the first amendment; that is, the idea of this government not establishing a specific religion for the nation.

□ 1130

I had hoped to offer the first amendment language as an amendment to this legislation, because I do not believe that we should be charged in this House with characterizing this debate as a question regarding our faith or our commitment in this Nation to our religious beliefs. I think it is important to understand that the Bill of Rights means something, that we cannot establish a religion through government. And certainly I think that as this legislation moves through this House today, giving direct funds to religious institutions makes this legislation as a violation of the Bill of Rights.

I believe if we pass legislation that gives direct funds to religious institutions and then affirms the right of these religious institutions to discriminate as it relates to employment, we are doing the contrary to what the Founding Fathers determined in those early years. Might I say that in the story of the Good Samaritan it was a diverse individual that helped a different individual, used his religion, his commitment of faith and charity, but I do not believe he needed to have an established law of providing Federal funds to a certain religion to make him charitable.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, faith-based organizations currently play an important and vital role in providing needed social welfare programs; and we, as a government, wholeheartedly support this work.

In fiscal year 2000, faith-based organizations administered an estimated $1 billion in Housing and Urban Development assistance. Catholic Charities, Lutheran Services, Jewish Federation received substantial support from the Federal Government. But in order to get it, they agree not to discriminate. They simply comply with the structure established to comply with two of our Nations's most fundamental principles, equal protection of the law and separation of church and State.

I have helped to establish many 501(c)(3)'s and wonderful organizations who do this work. A thousand religious leaders and organizations are opposed to H.R. 7, including American Baptist Churches USA, Office of Government Relations, Jewish Council on Public Affairs, Presbyterian Church USA, Episcopal Church, Unitarian Universalist Church, United Church of Christ, United Methodist Church. Join with them to oppose H.R. 7.

Mr. HALL of Ohio. Mr. Speaker, I yield 1¼ minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, many citizens, including Members of this House, first got into politics and stay involved in politics because of their moral and religious convictions. Religious congregations and organizations are working in communities daily to reach out to those in need, through Meals-on-Wheels, housing complexes for the elderly and the disabled, after-school programs for at-risk youth; and they are often doing this with the help of public funds.

This concept of faith-based initiatives is not new. My experience has been that religious groups are eager and effective in delivering greatly needed social services. But, Mr. Speaker, these groups have willingly organized their activities so as to honor the constitutional injunction against the establishment of religion when administering government funds. They have kept sectarian and social service activities institutionally separate. And they have understood that the use of public funds carries with it an obligation to refrain from discrimination, both among those served and among those hired to provide the service.

While the Democratic substitute preserves these safeguards, the President's proposal threatens to break them down, and for that reason religious groups across the spectrum have raised red flags about the bill before us.

The dual constitutional prohibitions against establishing religion and prohibiting its free exercise protect fairness and freedom in the public realm and also the autonomy and integrity of

religious practice. We must maintain these safeguards, even as we encourage citizens to put their faith into action and thus to enrich our community life.

My colleagues, support the carefully crafted Democratic substitute.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me this time. Mr. Speaker, regarding the so-called faith-based initiative, if I were convinced that this initiative posed no threat to separation of church and State, I could support it. And if I were convinced it held no potential for the Government telling us what to believe, I could support it. But I am not convinced.

I just want to point to one particular provision in the bill that asks those receiving funds to set up not a separate 501(c)(3) to receive the dollars and be audited, but only a separate account. It specifically states that in the legislation. Religious organizations or any organization that is not for-profit receiving government money should be required to set up a separate 501(c)(3) to give them tax exempt status and to keep the distinction between the religious side of the organization and its social service activities.

In my district, the Lutheran Church already provides nursing home care, for example, through Wolf Creek Lutheran Home; but they have a separate 501(c)(3). Jewish Community Services, the same. Islamic Social Services, the same. The establishment of the 501(c)(3) principle in the base legislation is absolutely essential. I cannot support the faith-based initiative as currently constituted.

As a freedom lover who happens to be a Roman Catholic, I also know if our faith isn't deep enough, as sacrificing people, we don't need government money to subsidize us. We must give of our substance, not come to rely on a government subsidy.

But partnership between government and faith-based groups has its place. If this initiative—or any faith-based initiative—had the proper safeguards, I could give it my support. On page 29 of the bill, any funds received by religious groups under this program shall be placed in a ''separate account,'' not a separately incorporated 501(c)(3) legal entity. This means federal funds will be awarded directly to religious organizations. This simply defies our Bill of Rights and the separation of church and state so essential to the maintenance of our fundamental freedoms.

This bill should require religious organizations to establish separate 501(c)(3) organizations and give them a separate legal standing from the religious mission of the faith-based group and a tax-exempt status. Of course most involved in social services already do. In that way, they can take government money but maintain the separate legal structure that is necessary to protect religious freedom from government incursion.

Of course, grantees should employ strict prohibitions against discrimination in hiring and the provision of services and abide by all applicable federal, state and local laws prohibiting discrimination.

Of course, Mr. Speaker, religious organizations providing social services—augmented by taxpayer dollars—is hardly a new concept. And, we have learned an enormous amount from this rich and worthy experience. Let me give you some examples:

The Sisters of Mercy, the Franciscons, the Grey Nuns, the Dominicians and members of other orders minister to the needy in hospitals and hospices and homeless shelters throughout America. But they do so through non-profit organizations that are separate and legally distinct.

In my district, the Lutheran Church provides nursing home care and other service through Wolf Creek Lutheran Home. But they have a separate 501(c)(3).

Jewish Community Services throughout the nation offer social services, including federally-subsidized independent housing for elderly and handicapped people. But they keep a separate accounting through a 501(c)(3) status.

Islamic Social Services Association provides a wide range of social services to the growing Muslim population in North America—through its non-profit arm.

Certainly we want to encourage religious organizations to provide social services to our fellow Americans. And certainly we want to do nothing that would discourage such compassionate activity.

Priviate philantropy has its place, and we want to encourage our fellow citizens to give of their time and money to help the less fortunate. We know private philanthropy will never be a complete substitute for substantial social services funded by the U.S. Government. Our needs in America are so great, and many of the private groups boats are so small.

I believe it is crucial—in order to protect taxpayer dollars and also to protect religious institutions from government interference—to keep not just two separate accounts, but separate and distinct organizations legally incorprated with their mission clearly defined.

That is why the establishment of 501(c)(3) organizations is so crucial—not just for the integrity of government grant money but also for the independence of the religious organizations using it.

I cannot support the faith-based initiative as currently proposed. Please vote ''no'' on the rule and on the bill, unless amended.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I rise in opposition to the rule and to H.R. 7. The Founding Fathers established a separation of church and State out of a solicitude for religion and for the State; and this initiative as drafted, I believe, is a threat to both. It is a threat to the State and the efficient operation of its services by preventing the State from ensuring that Federal funds are spent.

Who among us in this body is prepared to ask for an audit of a Jewish synagogue or the Catholic Church or the Mormon Temple for its expenditures of Federal funds? I would say probably none of us. And so the effective delivery of services cannot be effectively audited.

But more than that, the risk of excessive entanglement of religion, of having religious denominations compete with each other for Federal grants, becoming vendors of Federal services, of being told if they receive Federal money they cannot talk about faith being a necessary part of recovery, is this a position we want the Government to be in, saying if you take the Federal money, you cannot talk about faith, but if you do not, you can?

This is not in the best interest of either State or church, and I urge a ''no'' vote.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, as a person of faith, I believe in the power of faith to change lives, and I believe in the good work of faith-based groups. Yet today I join with over 1,000 religious leaders across America, and with civil rights groups, such as the NAACP, and educations groups, such as the National PTA and the National Association of School Administrators, who strongly oppose this bill.

Mr. Speaker, when Members cast their vote on this bill today, I hope they will ask themselves two fundamental questions: one, should citizens' tax dollars be used to directly fund churches and houses of worship? And, two, is it right to discriminate in job hiring when using Federal dollars?

I believe the answer to those two questions is no, and that is why I oppose this bill. Sending billions of tax dollars each year directly to churches is unconstitutional under the first amendment. It will lead to government regulation of our churches, which is exactly why our Founding Fathers rejected the idea of using tax dollars to fund our churches when they wrote the Bill of Rights.

It would be a huge step backwards in our Nation's march for civil rights to allow groups to fire employees from federally funded jobs solely because of their religious faith. Having a religious test for tax-supported jobs is wrong. No American citizen, not one, should have to pass someone else's religious test to qualify for a federally funded job.

Mr. Speaker, this idea was a bad idea when Mr. Madison and Mr. Jefferson and our Founding Fathers rejected it in writing the Constitution two centuries ago. It is a bad idea today. This bill will harm religion, not help it. I urge my colleagues to vote ''no'' on this unfair rule and ''no'' on this bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise today in support of H.R. 7 and encourage my colleagues to vote for this important legislation.

There is little doubt that faith-based organizations are often the most effective providers of social services in our communities. They are highly motivated, generous in spirit, and their motivation stems from a deep conviction about how one should live daily by giving to others in need. I have had a very

strong record in this Chamber of separation of church and State, but I think we should give the President a chance on this. If something goes awry, then let us change it. But I think it will not, and I think thousands of people will be able to help hundreds of people.

Through the welfare law passed in 1996, Congress provided opportunities for religious organizations, and I think there has been some very good language in H.R. 7. This program will work.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Speaker, I rise today in proud support of both the rule and H.R. 7. I want to commend the gentleman from Ohio (Mr. HALL), who is an example to all of us, and the gentleman from Oklahoma (Mr. WATTS). They are the best of this institution.

I want to say that in my home State of Mississippi we have the proud distinction of being the most charitable State in the Nation, the most generous. And because of the faith-based initiative, we have had an effort that has brought our christian community together with the Jewish community, with Muslims, with black, with white, people of all ages to organize in support of this initiative, because we know in Mississippi, just as we know across this country, that for the addict, for the alcoholic, for the struggling family, for the hungry, for the prisoner, for those troubled, faith heals, faith renews, faith gives the hope that this country needs.

Our President has called on us to remove the hindrances, to remove the hostility to the faith-based approaches so that there can be neutrality between the secular and the religious in healing our land. It is to remove the discrimination that we now have against the faith-based solutions.

I believe this approach can help heal our land, can bring our people together. It is happening in my own State of Mississippi; it is happening all across this land. I believe this is the right way at the right time to stand with organizations from the Salvation Army to Catholic Charities, to Evangelical Christians, to groups that represent the full breadth of this land and the greatest traditions of our faith.

Our founders knew that faith needed to guide us to give us the political prosperity and the peace and the reconciliation and the renewal. May we rise to the occasion today and pass this great and good legislation.

□ 1145

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

Mr. Speaker, before I yield back the balance of my time, I would simply say that if I were to believe what has been said in the past few days, even the past couple weeks, even some of the stories I have read in the news, if I were to believe it without reading the bill, I would probably vote against this bill, too. But I have read the bill.

I have lived and worked with some of these people that we are trying to help. It is time to reach out to them. It is time to encourage them, instead of beating them down. We beat them down. We turn them away from us when we have these kinds of discussions. It is time to reach out. That is what this bill does.

Vote for the rule. Vote for the bill.

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

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

Mr. Speaker, I ask my colleagues not to lose sight of our goal here to empower those organizations that can truly help in ways that the government could only wish, those organizations that are capable of really producing results in their own communities, neighbor to neighbor, one at a time. We need them far more than they need us.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation so that we can join our President and heroes like the gentleman from Ohio (Mr. HALL) and the gentleman from Oklahoma (Mr. WATTS) and truly unleash the best of America.

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

The SPEAKER pro tempore (Mr. BONILLA). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. PRYCE of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 6, as follows:

[Roll No. 250]

YEAS—228

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott

McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—6

Bartlett
Engel
Hinojosa
McKinney
Norwood
Spence

□ 1207

Ms. JACKSON-LEE of Texas, Mr. LUCAS of Kentucky, Mr. CLEMENT, Ms. PELOSI, and Mr. WEXLER changed their vote from ''yea'' to ''nay.''

Mr. SHADEGG changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONILLA). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 233, noes 194, not voting 6, as follows:

[Roll No. 251]

AYES—233

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson-Lee (TX)
Jenkins
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—194

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—6

Engel
Hinojosa
Johnson (CT)
McKinney
Norwood
Spence

□ 1219

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HINOJOSA. Mr. Speaker, I regret that I was unavoidably detained this last evening and this morning. Had I been present, I would have voted ''yes'' on rollcall 243, ''yes'' on rollcall 244, ''no'' on rollcall 245, ''no'' on rollcall 246, ''yes'' on rollcall 247, ''yes'' on rollcall 248, ''yes'' on rollcall 249, ''no'' on rollcall 250, and ''no'' on rollcall 251.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 196, I call up the bill (H.R. 7) to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 196, the bill is considered read for amendment.

The text of H.R. 7 is as follows:

H.R. 7

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 ''Community Solutions Act of 2001''.

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

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.
Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 103. Charitable deduction for contributions of food inventory.
Sec. 104. Charitable donations liability reform for in-kind corporate contributions.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Purposes.

Sec. 302. Definitions.
Sec. 303. Structure and administration of qualified individual development account programs.
Sec. 304. Procedures for opening and maintaining an individual development account and qualifying for matching funds.
Sec. 305. Deposits by qualified individual development account programs.
Sec. 306. Withdrawal procedures.
Sec. 307. Certification and termination of qualified individual development account programs.
Sec. 308. Reporting, monitoring, and evaluation.
Sec. 309. Authorization of appropriations.
Sec. 310. Account funds disregarded for purposes of certain means-tested Federal programs.
Sec. 311. Matching funds for individual development accounts provided through a tax credit for qualified financial institutions.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(1) the amount allowable under subsection (a) for the taxable year, or

''(2) the amount of the standard deduction.''

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c).

''(B) SPECIAL RULES RELATING TO CHARITABLE REMAINDER TRUSTS, POOLED INCOME FUNDS, AND CHARITABLE GIFT ANNUITIES.—

''(i) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account—

''(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(II) to a pooled income fund (as defined in section 642(c)(5)), or

''(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)).

The preceding sentence shall apply only if no person holds an income interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(ii) DETERMINATION OF INCLUSION OF AMOUNTS DISTRIBUTED.—In determining the amount includible in the gross income of any person by reason of a payment or distribution from a trust referred to in clause (i)(I) or a charitable gift annuity (as so defined), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

''(I) shall be treated as income described in section 664(b)(1), and

''(II) shall not be treated as an investment in the contract.

''(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

''(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 59½, and

''(ii) which is made directly from the account to—

''(I) an organization described in section 170(c), or

''(II) a trust, fund, or annuity referred to in subparagraph (B).

''(D) DENIAL OF DEDUCTION.—The amount allowable as a deduction under section 170 to the taxpayer for the taxable year shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which would be includible in the gross income of the taxpayer for such year but for this paragraph.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 103. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food by a taxpayer, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS.

(a) DEFINITIONS.—For purposes of this section:

(1) AIRCRAFT.—The term ''aircraft'' has the meaning provided that term in section 40102(6) of title 49, United States Code.

(2) BUSINESS ENTITY.—The term ''business entity'' means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(3) EQUIPMENT.—The term ''equipment'' includes mechanical equipment, electronic equipment, and office equipment.

(4) FACILITY.—The term ''facility'' means any real property, including any building, improvement, or appurtenance.

(5) GROSS NEGLIGENCE.—The term ''gross negligence'' means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(6) INTENTIONAL MISCONDUCT.—The term ''intentional misconduct'' means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(7) MOTOR VEHICLE.—The term ''motor vehicle'' has the meaning provided that term in section 30102(6) of title 49, United States Code.

(8) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

(9) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(b) LIABILITY.—

(1) LIABILITY OF BUSINESS ENTITIES THAT DONATE EQUIPMENT TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death that results from the use of equipment donated by a business entity to a nonprofit organization.

(B) APPLICATION.—This paragraph shall apply with respect to civil liability under Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF FACILITIES TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with a use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organization.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of aircraft or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a period that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of motor vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of the aircraft or motor vehicle.

(4) LIABILITY OF BUSINESS ENTITIES PROVIDING TOURS OF FACILITIES.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury to, or death of an individual occurring at a facility of the business entity, if—

(i) such injury or death occurs during a tour of the facility in an area of the facility that is not otherwise accessible to the general public; and

(ii) the business entity authorized the tour.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether an individual pays for the tour.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that constitutes gross negligence or intentional misconduct, including any misconduct that—

(1) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(2) constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 534 note));

(3) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court; or

(4) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law.

(d) SUPERSEDING PROVISION.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State health or safety law.

(e) ELECTION OF STATE REGARDING NONAPPLICABILITY.—A provision of this title shall not apply to any civil action in a State court against a business entity in which all parties are citizens of the State if such State enacts a statute—

(1) citing the authority of this section;

(2) declaring the election of such State that such provision shall not apply to such civil action in the State; and

(3) containing no other provisions.

(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1994A. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

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

''(1) to provide assistance to individuals and families in need in the most effective and efficient manner;

''(2) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to allow religious organizations to assist in the administration and distribution of such assistance without impairing the religious character of such organizations; and

''(4) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of choosing to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, if the program is implemented in a manner that is consistent with the Establishment Clause and the Free Exercise Clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government nor a State or local government receiving funds under a program described in paragraph (4) shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program, on the basis that the organization has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not aid to the religious organization.

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not and should not be perceived as an endorsement by the government of religion or the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) under the Federal housing laws;

''(iv) under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(vii) under the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(viii) related to the intervention in and prevention of domestic violence;

''(ix) related to hunger relief activities; or

''(x) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to non-school-hours programs; and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization's

control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization in order to be eligible to provide assistance under a program described in subsection (c)(4)—

''(A) to alter its form of internal governance; or

''(B) to remove religious art, icons, scripture, or other symbols because they are religious.

''(e) EMPLOYMENT PRACTICES.—

''(1) IN GENERAL.—In order to aid in the preservation of its religious character, a religious organization that provides assistance under a program described in subsection (c)(4) may, notwithstanding any other provision of law, require that its employees adhere to the religious practices of the organization.

''(2) TITLE VII EXEMPTION.—The exemption of a religious organization provided under section 702 or 703(e)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1, 2000e–2(e)(2)) regarding employment practices shall not be affected by the religious organization's provision of assistance under, or receipt of funds from, a program described in subsection (c)(4).

''(3) EFFECT ON OTHER LAWS.—Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1686) (prohibiting discrimination in educational institutions on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(f) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative, including a nonreligious alternative, that is accessible to the individual; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND CONTRACTS.—A religious organization providing assistance through a grant or contract under a program described in subsection (c)(4) shall not discriminate, in carrying out the program, against an individual described in subsection (f)(3)on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF DISBURSEMENT.—A religious organization providing assistance through a voucher, certificate, or other form of indirect disbursement under a program described in subsection (c)(4) shall not discriminate, in carrying out the program, against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(h) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

''(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account or accounts. Only the government funds shall be subject to audit by the government.

''(i) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian worship, instruction, or proselytization. A certificate shall be signed by such organizations and filed with the government agency that disbursed the funds that gives assurance the organization will comply with this subsection.

''(j) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(k) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate contractor'), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate contractor shall have the same duties under this section as the government when selecting or otherwise dealing with subcontractors, but the intermediate contractor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(l) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action pursuant to section 1979 against the official or government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for appropriate relief in Federal district court against the official or government agency that has allegedly committed such violation.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. PURPOSES.

The purposes of this title are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses;

(3) stabilize families and build communities; and

(4) support United States economic expansion.

SEC. 302. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means an individual who—

(i) has attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the United States;

(iii) is not a student (as defined in section 151(c)(4)); and

(iv) is a taxpayer the adjusted gross income of whom for the preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) or 1(d) of the Internal Revenue Code of 1986;

(II) $25,000, in the case of a taxpayer described in section 1(b) of such Code; and

(III) $40,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in subparagraph (A)(iv) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2001'' for ''1992''.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The sole owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 306(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the sole owner of which is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(4) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2).

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph

(A) from collaborating with 1 or more contractual affiliates, qualified nonprofit organizations, or Indian tribes to carry out an individual development account program established under section 303.

(5) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

(B) any community development financial institution certified by the Community Development Financial Institution Fund; or

(C) any credit union chartered under Federal or State law.

(6) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribal subsidiary, subdivision, or other wholly owned tribal entity.

(7) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development account program'' means a program established under section 303 under which—

(A) Individual Development Accounts and parallel accounts are held by a qualified financial institution; and

(B) additional activities determined by the Secretary as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to account owners, and regular program monitoring, are carried out by the qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(8) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents, as approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due;

(II) in the case of distributions for working capital under a qualified business plan (as defined in subparagraph (B)(iv)(IV)), directly to the account owner;

(III) in the case of any qualified rollover, directly to another Individual Development Account and parallel account; or

(IV) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased account owner; and

(iii) is paid after the account owner has completed a financial education course as required under section 304(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 72(t)(7) of the Internal Revenue Code of 1986, determined by treating postsecondary vocational educational schools as eligible educational institutions.

(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ''postsecondary vocational educational school'' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this Act.

(III) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2) of such Code and may not be taken into account for purposes of determining qualified higher education expenses under section 135 or 530 of the Internal Revenue Code of 1986.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8) of such Code without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures included in a qualified business plan, including capital, plant, equipment, working capital, inventory expenses, attorney and accounting fees, and other costs normally associated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which has been approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution, qualified nonprofit organization, or Indian tribe for the benefit of the account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ''qualified final distribution'' means, in the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 303. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 304.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 305.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) TAX TREATMENT OF PARALLEL ACCOUNTS.—Any account described in subparagraph (B) of subsection (b)(1) is exempt from taxation under the Internal Revenue Code of 1986.

SEC. 304. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual maintains no other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) because of hardship or lack of need.

(c) STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms from the preceding taxable year (or in the absence of such forms, such documentation as specified by the Secretary proving the eligible individual's adjusted gross income and the status of the individual as an eligible individual) shall be presented to the qualified financial institution, qualified nonprofit organization, or Indian tribe at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 305(b)(1)(A).

(d) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any overpayment of Federal tax of an individual as a contribution to the Individual Development Account of such individual.

SEC. 305. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution, qualified

nonprofit organization, or Indian tribe shall not less than quarterly (or upon a proper withdrawal request under section 306, if necessary) deposit into the parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) INFLATION ADJUSTMENT.—

(A) IN GENERAL.—In the case of any taxable year beginning after 2002, the dollar amount referred to in paragraph (1)(A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2001'' for ''1992''.

(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $20, such amount shall be rounded to the nearest multiple of $20.

(3) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 61.—In the case of an Individual Development Account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which holds the parallel account for such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the first day of the succeeding taxable year of such individual.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 30B of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 306. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—To withdraw money from an individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the distributees described in section 302(8)(A)(ii). If the distributee is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual's parallel account by doing so, unless such withdrawn funds are recontributed to such Account by September 30 following the withdrawal.

(c) WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 305(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual's gross income.

(e) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this title may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this title related to withdrawals from Individual Development Accounts.

SEC. 307. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 303, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 303(b)(1) are operating pursuant to all the provisions of this title; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 308. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 303 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 303.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) information on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this title, including the reporting, monitoring, and evaluation required under section 308, to remain available until expended.

SEC. 310. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(1) all amounts (including earnings thereon) in any Individual Development Account; plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account,

shall be disregarded for such purposes.

SEC. 311. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following new section:

''SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

''(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount

equal to the individual development account investment provided by an eligible entity during the taxable year under an individual development account program established under section 303 of the Community Solutions Act of 2001.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—

''(1) IN GENERAL.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program of a qualified financial institution in any taxable year, an amount equal to the sum of—

''(A) the aggregate amount of dollar-for-dollar matches under such program under section 305(b)(1)(A) of the Community Solutions Act of 2001 for such taxable year, plus

''(B) an amount equal to the sum of—

''(i) with respect to each Individual Development Account opened during such taxable year, $100, plus

''(ii) with respect to each Individual Development Account maintained during such taxable year, $30.

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in paragraph (1)(B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2001' for '1992'.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

''(d) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' means a qualified financial institution, or 1 or more contractual affiliates of such an institution as defined by the Secretary in regulations.

''(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in the Community Solutions Act shall have the meaning given such term by such Act.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account under subsection (c)(1)(A) in determining the credit under this section.

''(g) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there is a forfeiture under section 306(b) of the Community Solutions Act of 2001 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

''(h) APPLICATION OF SECTION.—This section shall apply to any expenditure made in any taxable year beginning after December 31, 2001, and before January 1, 2009, with respect to any Individual Development Account opened before January 1, 2007.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

''Sec. 30B. Individual development account investment credit for qualified financial institutions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. In lieu of the amendments recommended by the Committee on Ways and Means and the Committee on the Judiciary printed in the bill, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is adopted.

The text of the bill as amended by the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 103. Increase in cap on corporate charitable contributions.

Sec. 104. Charitable deduction for contributions of food inventory.

Sec. 105. Reform of excise tax on net investment income of private foundations.

Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.

Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.

Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Act.

Sec. 302. Increase in limitation on net worth.

Sec. 303. Change in limitation on deposits for an individual.

Sec. 304. Elimination of limitation on deposits for a household.

Sec. 305. Extension of program.

Sec. 306. Conforming amendments.

Sec. 307. Applicability.

TITLE IV—CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS

Sec. 401. Charitable donations liability reform for in-kind corporate contributions.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

''(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(A) the amount allowable under subsection (a) for the taxable year for cash contributions, or

''(B) the applicable amount.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined as follows:

''For taxable years beginning in:	The applicable amount is:
2002 and 2003	$25
2004, 2005, 2006	$50
2007, 2008, 2009	$75
2010 and thereafter	$100.

In the case of a joint return, the applicable amount is twice the applicable amount determined under the preceding table.''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(ii) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in

gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(I) shall be treated as income described in section 664(b)(1) except to the extent that the beneficiary of the individual retirement account notifies the trustee of the trust of the amount which is not allocable to income under subparagraph (D).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)(II)) by reason of a qualified charitable distribution to such fund.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(ii) a pooled income fund (as defined in section 642(c)(5)), and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

''SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including:

''(A) the amount of the charitable, etc., deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years,

''(C) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking ''10 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170 of such Code is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable percentage is—**
2002 through 2007	11
2008	12
2009	13
2010 and thereafter	15.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 805(b)(2)(A) of such Code are each amended by striking ''10 percent'' each place it occurs and inserting ''the applicable percentage (determined under section 170(b)(3))''.

(2) Sections 545(b)(2) and 556(b)(2) of such Code are each amended by striking ''10-percent limitation'' and inserting ''applicable percentage limitation''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Paragraph (3) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for certain contributions of inventory and other property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—

''(i) GENERAL RULE.—In the case of a charitable contribution of food, this paragraph shall be applied—

''(I) without regard to whether the contribution is made by a C corporation, and

''(II) only for food that is apparently wholesome food.

''(ii) DETERMINATION OF FAIR MARKET VALUE.—In the case of a qualified contribution of apparently wholesome food to which this paragraph applies and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such food shall be determined by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(iii) APPARENTLY WHOLESOME FOOD.—For purposes of this subparagraph, the term 'apparently wholesome food' shall have the meaning given to such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking ''2 percent'' and inserting ''1 percent''.

(b) REPEAL OF REDUCTION IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) CHARACTER OF DISTRIBUTIONS AND COORDINATION WITH DISTRIBUTION REQUIREMENTS.—The amounts taken into account in determining unrelated business taxable income (as defined in subparagraph (A)) shall not be taken into account for purposes of—

''(i) subsection (b),

''(ii) determining the value of trust assets under subsection (d)(2), and

''(iii) determining income under subsection (d)(3).

''(D) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the shareholder's proportionate share of the adjusted basis of the property contributed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1991. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

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

''(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

''(2) to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

''(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

''(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religion or the organization's religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not an endorsement by the government of religion or of the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) related to the intervention in and prevention of domestic violence, including programs under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

''(vii) related to hunger relief activities; or

''(viii) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to nonschool hours programs, including programs under—

''(I) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105–220); or

''(II) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4), to—

''(A) alter its form of internal governance or provisions in its charter documents; or

''(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

''(e) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (c)(4), and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy recognized in section 702 or in this section shall have no effect. Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of 1964 in the use of funds from programs described in subsection (c)(4).

''(f) EFFECT ON OTHER LAWS.—Nothing in this section shall alter the duty of a religious organization receiving assistance or providing services under any program described in subsection (c)(4) to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688) (prohibiting discrimination in education programs or activities on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative that is accessible to the individual and unobjectionable to the individual on religious grounds; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) shall not deny an individual described in subsection (g)(3) admission into such program on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(i) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds and its performance of such programs.

''(2) LIMITED AUDIT.—

''(A) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall segregate government funds provided under such program into a separate account or accounts. Only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(B) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) may segregate government funds provided under such program into a separate account or accounts. If such funds are so segregated, then only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(3) SELF AUDIT.—A religious organization providing services under any program described in subsection (c)(4) shall conduct annually a self audit for compliance with its duties under this section and submit a copy of the self audit to the appropriate Federal, State, or local government agency, along with a plan to timely correct variances, if any, identified in the self audit.

''(j) LIMITATIONS ON USE OF FUNDS; VOLUNTARINESS.—No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection.

''(k) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(l) INDIRECT ASSISTANCE.—When consistent with the purpose of a program described in subsection (c)(4), the Secretary of the department administering the program may direct the disbursement of some or all of the funds, if determined by the Secretary to be feasible and efficient, in the form of indirect assistance. For purposes of this section, 'indirect assistance' constitutes assistance in which an organization receiving funds through a voucher, certificate, or other form of disbursement under this section receives such funding only as a result of the private choices of individual beneficiaries and no government endorsement of any particular religion, or of religion generally, occurs.

''(m) TREATMENT OF INTERMEDIATE GRANTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate grantor'), acting under a grant or other agreement with the Federal Government, or a State or local government with Federal funds, is given the authority under the agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government when selecting or otherwise dealing with subgrantors, but the intermediate grantor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(n) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1979 against the State official or local government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for injunctive relief in Federal district court against the official or government agency that has allegedly committed such violation.

''(o) TRAINING AND TECHNICAL ASSISTANCE FOR SMALL NONGOVERNMENTAL ORGANIZATIONS.—

''(1) IN GENERAL.—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component or unit thereof, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through grants or other arrangements, in procedures relating to potential application and participation in programs identified in subsection (c)(4) to small nongovernmental organizations, as determined by the Attorney General, including religious organizations, in an amount not to exceed $50 million annually.

''(2) TYPES OF ASSISTANCE.—Such assistance may include—

''(A) assistance and information relative to creating an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 to operate identified programs;

''(B) granting writing assistance which may include workshops and reasonable guidance;

''(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas; and

''(D) information and guidance on how to comply with Federal nondiscrimination provisions including, but not limited to, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), the Fair Housing Act, as amended (42 U.S.C. 3601 et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 694), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107).

''(3) RESERVATION OF FUNDS.—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may apply for these funds to be used for assistance in providing full and equal integrated access to individuals with disabilities in programs under this title.

''(4) PRIORITY.—In giving out the assistance described in this subsection, priority shall be given to small nongovernmental organizations serving urban and rural communities.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. ADDITIONAL QUALIFIED ENTITIES ELIGIBLE TO CONDUCT PROJECTS UNDER THE ASSETS FOR INDEPENDENCE ACT.

Section 404(7)(A)(iii)(I)(aa) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(aa) a federally insured credit union; or''.

SEC. 302. INCREASE IN LIMITATION ON NET WORTH.

Section 408(a)(2)(A) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''$10,000'' and inserting ''$20,000''.

SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.''.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.

Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 305. EXTENSION OF PROGRAM.

Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''2001, 2002, and 2003'' and inserting ''and 2001, and $50,000,000 for each of fiscal years 2002 through 2008''.

SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''demonstration'' each place it appears:

(1) Section 403.
(2) Section 404(2).
(3) Section 405(a).
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(g).
(9) Section 406(a).
(10) Section 406(b).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(1)(B).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 408(a).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 413(a).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d)(1).
(31) Section 414(d)(2).

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''DEMONSTRATION'':

(1) Section 405(a).
(2) Section 406(a).
(3) Section 413(a).

(c) AMENDMENTS TO SECTION HEADINGS.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking ''**DEMONSTRATION**''.

SEC. 307. APPLICABILITY.

(a) IN GENERAL.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of this Act.

(b) PRIOR AMENDMENTS.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) shall apply to funds provided before, on or after the date of the enactment of such Act.

TITLE IV—CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS

SEC. 401. CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS.

(a) DEFINITIONS.—For purposes of this section:

(1) AIRCRAFT.—The term ''aircraft'' has the meaning provided that term in section 40102(6) of title 49, United States Code.

(2) BUSINESS ENTITY.—The term ''business entity'' means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(3) EQUIPMENT.—The term ''equipment'' includes mechanical equipment, electronic equipment, and office equipment.

(4) FACILITY.—The term ''facility'' means any real property, including any building, improvement, or appurtenance.

(5) GROSS NEGLIGENCE.—The term ''gross negligence'' means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(6) INTENTIONAL MISCONDUCT.—The term ''intentional misconduct'' means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(7) MOTOR VEHICLE.—The term ''motor vehicle'' has the meaning provided that term in section 30102(6) of title 49, United States Code.

(8) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

(9) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(b) LIABILITY.—

(1) LIABILITY OF BUSINESS ENTITIES THAT DONATE EQUIPMENT TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death that results from the use of equipment donated by a business entity to a nonprofit organization.

(B) APPLICATION.—This paragraph shall apply with respect to civil liability under Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF FACILITIES TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with a use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organization.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of aircraft or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a period that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of motor vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of the aircraft or motor vehicle.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that constitutes gross negligence or intentional misconduct.

(d) SUPERSEDING PROVISION.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State health or safety law.

(e) ELECTION OF STATE REGARDING NONAPPLICABILITY.—A provision of this title shall not apply to any civil action in a State court against a business entity in which all parties are citizens of the State if such State enacts a statute—

(1) citing the authority of this section;

(2) declaring the election of such State that such provision shall not apply to such civil action in the State; and

(3) containing no other provisions.

(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–144, if offered by the gentleman from New York (Mr. RANGEL), or the gentleman from Michigan (Mr. CONYERS), or a designee, which shall be considered read, and shall be debatable

for 60 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Wisconsin (Mr. SENSENBRENNER), and ask unanimous consent that he may control that time.

Prior to doing that, I ask unanimous consent that the gentleman from New York (Mr. RANGEL) be recognized.

The SPEAKER pro tempore. Without objection, the gentleman from New York (Mr. RANGEL) is recognized.

There was no objection.

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the first 15 minutes of my time be controlled by the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and the remainder of my time be controlled by the gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that I may be allowed to yield parts of my time to others.

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

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 7. Quite simply, the aim of this legislation is to encourage more community-based solutions to social problems in America. When implemented, it will provide some truly life-changing opportunities to many individuals struggling in our communities across the country.

It says that faith-based organizations should no longer be discriminated against when competing for Federal social service funds because of a misconstrued interpretation of current law by some, and that we welcome even the smallest faith-based organizations into the war against desperation and hopelessness.

As a result, new doors will be opened to the neediest in our communities to receive help and assistance that they seek. This is a wonderful and compassionate goal that most, if not all, should be able to embrace. In fact, H.R. 7 could very well improve our culture in ways that we have not seen in decades.

The concept of Charitable Choice is not new. Federal welfare reform in 1996 authorized collaboration between government and faith-based organizations to provide services to the poor. Charitable Choice has allowed religious organizations, rather than just secular or secularized groups, to compete for public funding. Many faith-based organizations have been providing services to their community, but with government funding they are able to create new programs and expand existing ones.

For example, the Cookman United Methodist Church in Philadelphia has created a program of ''education, life-skills, job placement, job development and computer literacy, and children and youth services'' with their Federal funding. By testing new solutions to the problem of poverty, the Cookman Church has used Charitable Choice funds to expand their program of needed services into a much larger and more meaningful one for their community. They have done this under existing Charitable Choice law in the 1996 Welfare Reform Act, which allows them to help those in need without having to hire lawyers to create a separate secularized organization and without having to rent expensive office space outside their neighborhood church.

There are literally hundreds of other programs like that of the Cookman United Methodist Church that have benefited thousands of persons in need without raising constitutional concerns in their implementation. These organizations are striving to make a difference in communities all across America.

It is a tragedy that those who move to help others by the strength of faith face added barriers to Federal social service funds based upon misguided understandings of the Constitution's religion clauses. Often it is those whose earthly compassion has the deep root of faith who stand strongest against the whims of despair. Different rules should not apply to them when they seek to cooperate with the Federal Government in helping meet basic human needs.

Some of our colleagues have raised constitutional objections to this legislation. I believe that those objections, while sincere, are misguided. Charitable Choice neither inhibits free exercise of religion, nor does it involve the government establishment of religion. It simply allows all organizations, religious or non-religious, to be considered equally by the Government for what they can do to help alleviate our Nation's social ills.

Unfortunately, it has become all too common for faith-based organizations to be subject to blanket exclusionary rules applied by the government grant and contract distributors based upon the notion that no Federal funds can go to pervasively sectarian institutions. However, the Congressional Research Service concluded in its December 27, 2000, report to Congress on Charitable Choice: ''In its most recent decisions, the Supreme Court appears to have abandoned the presumption that some religious institutions are so pervasive sectarian that they are constitutionally ineligible to participate in direct public aid programs. The question of whether a recipient institution is pervasively sectarian is no longer a constitutionally determinative factor.''

The pervasively sectarian test under which the patronizing assumption was made that religious people could be too religious to be trusted to follow rules against the use of Federal funds for proselytizing activity is, thankfully, dead. However, its ghost continues to linger in many of the implementing regulations of the programs covered by H.R. 7, and, unfortunately, in the rhetoric of many of H.R. 7's opponents.

For those with constitutional concerns, I also ask them to consider the changes to H.R. 7 that were adopted by the Committee on the Judiciary and just amended in this bill with the self-executing rule. These changes firm up the constitutionality of the bill and expand the options of individuals to receive government services from the type of organization they are most comfortable with.

To begin with, the bill now makes clear that when a beneficiary has objection to the religious nature of a provider, an alternative provider is required that is objectionable to the beneficiary on religious grounds, but that the alternative provider need not be non-religious. This same requirement appears in the Charitable Choice provisions of the 1996 Welfare Reform Act. If, of course, a beneficiary objects to being served by any faith-based organization, such a beneficiary is granted a secular alternative.

Existing Charitable Choice law contains an explicit protection of a beneficiary's right to refuse to actively participate in a religious practice, thereby ensuring a beneficiary's right to avoid any unwanted sectarian practices. Such a provision makes clear that participation, if any, in a sectarian practice, is voluntary and non-compulsory.

Further, Justices O'Connor and Breyer require that no government funds be diverted to religious indoctrination. Therefore, religious organizations receiving direct funding will have to separate their social service program from their sectarian practices. If any part of the faith-based organization's activities involve religious indoctrination, such activities must be set apart from the government-funded program, and, hence, privately funded.

The bill as reported out of the Committee on the Judiciary now contains a clear statement that if any sectarian worship instruction or proselytization occurs, that shall be voluntary for individuals receiving services and offered separate from the program funded.

Also the bill now includes a requirement that a certificate shall be separately signed by the religious organization and filed with the government agency that disperses the funds certifying that the organization is aware of

and will take care to comply with this provision.

□ 1230

The amendment also makes clear that volunteers cannot come into a federally funded program and proselytize or otherwise engage in sectarian activity.

The Committee on the Judiciary also changed the bill to include a subsection to permit review of the performance of the program itself, not just its fiscal aspects. This amendment is needed to prevent an unconstitutional preference for faith-based organizations, as secular programs are subject to both types of review.

One of the most important guarantees of institutional autonomy is a faith-based organization's ability to select its own staff in the manner that takes into account its faith. It was for that reason that Congress wrote an exemption from the religious discrimination provision of Title VII of the Civil Rights Act of 1964 for religious employers. All other current charitable choice laws specifically provide that faith-based organizations retain this limited exemption from Federal employment nondiscrimination laws.

An amendment adopted by the Committee on the Judiciary replaced existing language in H.R. 7 with the same language used in the 1996 Welfare Reform Act, which was signed into law by President Clinton, with an additional clause making clear that contrary provisions in the Federal programs covered by H.R. 7 have no force and effect. This additional clause was not necessary in the 1996 Welfare Reform Act because it codified charitable choice rules for a new program, whereas H.R. 7 covers already existing programs that may have conflicting provisions.

This amendment is offered to avoid any confusion. The language of the 1996 Welfare Reform Act did nothing to ''roll back'' existing civil rights laws, and that same language is used in this amendment.

It is important for all to understand that this bill does not change the anti-discrimination laws one bit, either with respect to employees or beneficiaries. Faith-based organizations must comply with civil rights laws prohibiting discrimination on the basis of race, color, national origin, gender, age and disability.

Since 1964, faith-based organizations have been entitled to the Title VII exemption to hire staff that share religious beliefs; and courts, including the Supreme Court, have upheld this exemption. Do the critics of those laws really want to revoke current public funding from the thousands of child care centers, colleges and universities that receive Federal funds in the form of Pell grants, veterans benefits, vocational training, et cetera, because these institutions hire faculty and staff that share religious beliefs?

Remember, one of the primary goals of this legislation is to try to open opportunities for small entities that take part in Federal social service programs. It is particularly important to maintain this exemption for small faith-based entities, because they are the types of community organizations we hope will be encouraged by this bill to seek involvement in delivering social services. These small entities are not going to go out and create new organizations and staff that provide these services. So we do not want to force them to advertise, hire new people and possibly be sued in Federal court for a job they would like to be filled by people already on staff, namely, people who share their religious beliefs.

One of the most revered liberal justices in the history of the Supreme Court, William Brennan, recognized that preserving the Title VII exemption where religious organizations engage in social services is a necessary element of religious freedom.

In his opinion in the Amos case upholding the current Title VII exemption, Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where such activity does not contain any sectarian instruction, worship or proselytizing, he recognized that the religious organization's performance of such functions was likely to be ''infused with a religious purpose.'' He also recognized that churches and other entities ''often regard the provision of social services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster.''

Charitable choice principles recognize that people in need should have the benefit of the best social services available, whether the providers of those services are faith-based or otherwise. That is the goal: helping tens of thousands of Americans in need.

We are considering today whether the legions of faith-based organizations in the inner cities, small towns and other communities of America can compete for Federal funds to help pay the heating bills in shelters for victims of domestic violence, to help them pay for training materials teaching basic work skills, to help them feed the hungry, and to provide other social services to help the most desperate among us.

Mr. Speaker, I urge my colleagues, even those initially opposed to H.R. 7, to join me today in voting for this bill and the expansion of charitable choice.

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

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

Mr. Speaker, I commend the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, for his sterling statement. Except for the conclusion, of course, it was very well presented.

Now, to the heart of the matter. The Conservative Family Research Council announced yesterday that they would abandon support for H.R. 7 if it were changed one iota to defer to existing State or local civil rights laws. Therein lays the rub. Namely, to put it another way, more colloquially, can a brother make as good a pot of soup as a Southern Baptist? Can too much diversity spoil the soup? That is the problem here, and it is why we are having so much trouble with faith-based which, incidentally, already exists, I say to my colleagues. Is there anyone not aware that we already have faith-based organizations dispensing charity by the billions of dollars? So what is the problem here?

Well, during our discussion in the Committee on the Judiciary, no one caught this sense of the issue more sensitively than our distinguished colleague from Florida (Mr. SCARBOROUGH), and I quote him at this point from page 191: ''For instance,'' he says, ''delivering soup. Let's say, for instance, in an area that is heavily served, let's say a synagogue, in an urban part of the area, listen, they want to get their soup. They do not want to hear somebody with views that are completely different from their own views. And I understand. I understand what the bill says, that they are not allowed to do that. But, again, if you compel these organizations, whose culture many Americans believe allow faith-based organizations to deliver services more effectively,'' and so on and so forth.

So I thank our departing colleague for that very important contribution to what we are about here.

Now, why do so many people feel uncomfortable about using this legislation as a vehicle to override our civil rights laws, our Federal civil rights laws, our State civil rights laws, our local civil rights laws? Why?

Many of us are still recovering from the revelation that the Salvation Army negotiated a secret deal with the White House to override parts of civil rights laws, including those protecting domestic partner benefits. Most do not think it is right to trade off our civil rights laws to get legislative support from a private organization.

Had the administration really wanted to do something to help religion, they might have tried to include the proposed charitable tax deductions in the $2 trillion tax deal. If they wanted to do something to improve social services, they would increase funding for drug treatment, housing and for seniors, instead of cutting these programs by billions of dollars. If they wanted to help our kids in our inner cities, of which I have heard so much today it is staggering, they would help us try to rebuild the crumbling schools all around them.

Mr. Speaker, I yield 2¼ minutes to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee from which this bill came.

Mr. NADLER. Mr. Speaker, this bill is a threat to religious liberty, a threat to the very effective way the Federal, State and local governments have long worked with religious charities, and a threat to this Nation's long commitment to equal rights, nondiscrimination and human dignity.

I would like to dispense with a few myths that have been propagated during this debate.

First, contrary to what we may have heard, religious charities are not the victims of discrimination; far from it. Religious charities now administer billions of dollars in public funds every year. Catholic Charities, the Federation of Protestant Welfare Agencies, the United Jewish Communities and many other church groups have been providing social services partially funded with taxpayer dollars for many, many decades.

Myth two: Religious charities must be allowed to discriminate in employment and services using public money in order to do their jobs properly. Why? Why does a Jewish lunch program need to hire only Jews to serve the soup? Why does a Baptist homeless shelter need to hire only Baptists to provide the blankets? I thought that this was a settled issue in our society, but apparently it is not.

Let me ask my colleagues, on the road to Jericho, did the good Samaritan ask the wounded traveler whether he was of a certain faith or whether he was gay or whether he was of the proper race? If the answer is no, then why would we think it necessary for churches to do this now, with public funds?

We are told that current law already allows such discrimination. Yes, it does, but only with church funds. But this bill is different. This bill allows that discrimination not just with church money but with public money in purely secular activities or what we are told are purely secular activities. That is very new and very, very wrong.

Myth three: This bill preserves State laws. Not true. The gentleman from Wisconsin (Mr. SENSENBRENNER) made clear in the markup in the committee that it does not. The bill allows broad religious discrimination and nullifies the laws of 12 States and more than 100 localities to the contrary. Do not be fooled by the argument that this applies only to lesbian and gay rights, important though they are. This applies to all local antidiscrimination laws, whether they protect women or minorities or single mothers or whatever local communities may have committed to take a stand on. That is an important difference from past charitable choice legislation, which specifically said that State and local laws would be preserved. This is different.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would remind Members to abide by the time limitations.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I rise in strong opposition to H.R. 7. While it has been described as a plan to help religious organizations to receive and administer government funds, charitable choice in reality is a fundamental assault on our civil rights laws.

In this debate, let us be clear. The major impact of H.R. 7 will be to allow religious sponsors who want to receive Federal funds to discriminate in hiring based on religion. Any program that can get funded under H.R. 7 can get funding today, except those run by organizations that insist on the right to discriminate in hiring.

□ 1245

So when we hear about all the programs that can get funded, let us tell the truth, all of them can be funded today if the sponsors are willing to follow civil rights laws, just like all other Federal contractors. Just do not discriminate in hiring.

So this bill is not about new programs which can get funded. There is no new money in the program. Any program funded under H.R. 7 can be funded now. This bill provides no new funding, just new discrimination.

Whatever excuse there is to discriminate based on religion in these programs should apply to all Federal programs. In fact, it would apply to all private contractors or all private employers.

Why should a manufacturer be required to hire people of different faiths? The answer is it is the law. Because of our sorry history of discrimination and bigotry in the past, we have had to pass laws to establish protected classes.

So someone can choose their employees any way they want, except they cannot discriminate in hiring based on the protective classes of race, color, creed, national origin, or sex. This principle was established in Federal defense contracts when President Roosevelt signed Executive Order 8802 on June 25, 1941. Now, 60 years later, here we are allowing sponsors of federally funded programs to discriminate in hiring.

There are a lot of other problems with this bill, but we ought to defeat this bill strictly because of the fact that it allows new discrimination in hiring.

Mr. CONYERS. Mr. Speaker, in consultation with the chairman of the committee, I ask unanimous consent that each side be given 10 additional minutes.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Michigan?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I would point out to the gentleman from Michigan that while I personally have no objection, the general debate time is controlled by the Committee on Ways and Means. I would suggest that he request that of the chairman of the Committee on Ways and Means when he comes back to the Chamber. I am afraid that I would be trodding on their turf, so I would ask him to withdraw his unanimous consent request.

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

Mr. SENSENBRENNER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes and 5 seconds to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, if we take time to review the details of this bill, we will see it is bad for America. The premise that religious people cannot help solve America's social problems is simply wrong. I spent 14 years in local government. We worked with Catholic Charities and many others. We do not need this radical departure from the Bill of Rights to work with Catholics, Protestants, Buddhists, Hindus, Sikhs, or Jains to solve America's problems.

Consider the plain language of the first amendment: ''Congress shall make no law respecting an establishment of religion.'' I think that is clear. But this bill would take tax money and give it directly to churches. How can that not run afoul of the constitutional prohibition against the establishment of religion?

Our country was started by people seeking religious freedom to worship, and this fundamental American value was put in the very first amendment to our Constitution.

When government becomes involved in establishing or preferring religions, trouble follows. Will the Sikhs or Hindus receive the day care contract? Will the Muslims or Jews run the nursing home where your mother will live? Pity the local government who must decide.

With government money comes interference and perhaps improper conduct. Do these funds go to friends of the President? Does the Salvation Army get a financial benefit for political work? Thomas Jefferson is famous for the observation that ''. . . intermingling of church and State corrupts both.''

Finally and incredibly, there are special interest provisions in this bill that do not even relate to religion. Look at section 104.

Astonishingly, the bill creates a special class of victims without rights, nonprofit and religious groups who rent vehicles from businesses. An example: Corporation A leases a van with bald tires to the Baptist Youth Choir. The van overturns. With section 104, Corporation A cannot be held liable to help with the funeral and medical expenses. But if the same van is rented for the same price to a for-profit satanic rock group, corporation A can be held liable. Why should religious and nonprofit groups be victimized with impunity?

This bill will result in outcomes not desired by the American people. It will end up undercutting religion as well as religious freedom. It will enrage Americans by using their tax dollars to subsidize religious beliefs they disagree with. It undercuts our Constitution, provides not one additional cent of tax money to help the poor, and will end up stimulating religious conflict and racial and religious discrimination. Please have the good sense to vote no.

Mr. CONYERS. Mr. Speaker, I ask unanimous consent for each side to have 10 additional minutes, having consulted with my leader on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL).

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

Mr. THOMAS. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL) in terms of the statement of the gentleman from Michigan.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it seems as though, on this very controversial but important subject matter, there are so many Members who would like to share their views before we have time to vote on this, and in view of the fact that the Committee on the Judiciary has had jurisdiction over the substance of this and the time was split and they need additional time, if there is any technicality because the Committee on Ways and Means would follow them that interferes with them getting unanimous consent, I would like to yield to them on this issue.

Mr. THOMAS. Continuing to reserve my right to object, Mr. Speaker, I would tell the gentleman that actually we have 2 hours of debate on this question. As the Speaker indicated in announcing the rule, there is an hour of general debate and an hour on the substitute.

That means the Committee on the Judiciary, if the time is divided on the substitute, the same as was divided on general debate, would have 1 hour. That is the normal debate time. The Committee on Ways and Means would have 1 hour. The Committee on the Judiciary would have an hour.

The debate is not necessarily narrowly directed to the subject at hand; i.e., if the gentleman from Michigan (Chairman CONYERS) has some of his members of the Committee on the Judiciary who wish to make general statements about the underlying legislation, they certainly are able to, and indeed, we often do that during the debate on the substitute.

It seems to me that an extra 1 hour on this subject matter for a full 2 hours of discussion is more than ample.

Therefore, Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), a distinguished member of the Committee.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from Michigan for yielding time to me, and I thank the leaders for this very important debate.

Mr. Speaker, I rise today to reinforce the importance of this debate and the importance of characterizing this debate for what it is: the desire for those of us who believe in the first amendment and the Bill of Rights to emphasize that this should not be a referendum on our faith, for this country was founded on the ability to be able to practice one's faith without intrusion.

But rather, I would hope that this particular debate will focus around the intent and the understanding of James Madison, the father of the first amendment, that indicated that he believed that the commingling of church and State was something that should not exist, and that he apprehended the meaning of the establishment clause to be that ''Congress shall not establish a religion and enforce the legal observation of it by law, nor compel men or women to worship God in any manner contrary to their conscience.''

It means that if I am of a different belief and I want to fight against child abuse, and a particular religious institution is running a child abuse prevention charitable organization in my community, I should be able to be hired. Under this bill, although it has good intentions, it forces direct monies into religious institutions, not requiring them to comply with any means of preventing discrimination.

Martin Luther King said ''Injustice anywhere is injustice everywhere.'' Discrimination on the basis of religion somewhere is discrimination everywhere.

What we want here is an understanding that we embrace faith, but we do not embrace discrimination. Change this legislation, eliminate the discriminatory aspects, eliminate the voucher program, eliminate the direct funding of religion, and James Madison's voice and spirit will live and the Bill of Rights will live, and we can all support this legislation.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Wisconsin (Ms. BALDWIN).

(Ms. BALDWIN asked and was given permission to revise and extend her remarks.)

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this debate is about the fundamental relationship between a democratic government and religious institutions.

The first amendment has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Second, it is designed to protect religious institutions from unwarranted intrusions of government.

I believe H.R. 7 endangers both of these purposes. This bill expands the religious exemption under Title VII to clearly nonreligious activities, and it preempts State and all other local nondiscrimination laws. For the first time, Federal dollars, public funds, will be used to discriminate; or put another way, Americans can be barred from taxpayer-funded employment on the basis of their religion or other factors.

Civil rights and religious freedom go hand-in-hand. Undermine one and we undermine the other.

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to separation of church and State by defeating H.R. 7.

Mr. Speaker, I rise today in opposition to H.R. 7.

Let me begin by saying that I very much value the traditional role of religions institutions in providing social services. Our country has been made stronger through the good works of people of faith in helping those in need. Religious institutions have long fed the hungry, clothed the poor, given shelter to the homeless, and helped heal the sick. These contributions have been absolutely essential for millions of Americans throughout the history of our great nation.

But this debate is not whether or not religious institutions should do good works. We all agree that they do and they should. This debate is about the fundamental relationship between a democratic government and religious institutions.

The Bill of Rights to the United States Constitution sets forth the fundamental principles upon which our democracy is based—freedom of speech, freedom of expression, right to trial by jury, limitations on searches an seizures, the right to bear arms. One of the most fundamental protections in our Constitution is freedom of religion.

The First Amendment states: ''Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.'' This Constitutional principle has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Our Founding Fathers rightly saw that true freedom of worship was impossible if the state advantaged one religion over others.

The second purpose is to protect religious institutions from the unwarranted intrusion of government. The independence of religious institutions from the hand of government is fundamental to the free exercise of religion.

I believe H.R. 7 endangers both of these purposes and therefore undermines our nation's commitment to the free exercise of religion. This bill will allow religious institutions to accept direct government funding of social service programs. While it purports to ban proselytizing using tax dollars, it still permits the mingling of religion and government as never before seen in our country. It extends the reach of government into the private religious sphere. And I believe it is unconstitutional.

It is not in the best interest of our religious institutions to have government agencies pick and choose which church or synagogue or mosque should get taxpayer dollars. As my colleague Mr. SCHIFF of California said in the Judiciary Committee, ''would it be appropriate for Members of Congress to write letters in

support of one church's grant application or against another?'' Would it? Is that a good idea? What future rules will we apply to these funds? Will the Bishop or the Rabbi come by to lobby for funding? If a church violates the rules or is suspected of fraud, do we really want the government digging into their books?

Our Founding Fathers created the Establishment Clause as an answer to this dilemma. Their answer was no. In a letter written in 1832, James Madison wrote, ''it may not be easy, in every possible case, to trace the line of separation between the rights of religion and the civil authority with such distinctness as to avoid collisions and doubts on unessential points. The tendency of a usurpation on one side or the other, or a corrupting coalition or alliance between them, will be best guarded by an entire abstinence of the government from interference in any way whatsoever?''

We have recently seen the impact of entangling government and religion in the case of the White House and the Salvation Army. The Salvation Army, a religious charity, has lobbied and been lobbied by the White House to promote this legislation. According to newspaper accounts, the Salvation Army was prepared to spend hundreds of thousands of dollars to advance this bill in exchange for the right to discriminate in hiring. The White House now says they've backed off.

But the very right to discriminate in hiring that the Salvation Army wanted is contained in this bill! This bill expands the religious exemption under Title VII to clearly non-religious activities and preempts all other state and local non-discrimination laws. For the first time, public funds will be used to discriminate in employment. Or put another way, Americans can be barred from taxpayer funded employment on the basis of their religion.

Under this bill, a Protestant church could refuse to hire a person who is Jewish to work in their day care or a Muslim soup kitchen could refuse to hire a Catholic to serve meals to the hungry. But not only that, a church could refuse to hire a person who is divorced if divorce is against that church's tenets and teachings, even though the position is involved only in a secular activity.

Expanding a religious institution's ability to discriminate in employment to include secular enterprises is just the start of the discrimination in this bill. The bill also preempts all state and local laws against discrimination. Thus, if a state protects its citizens from discrimination on the basis of sexual orientation, real or perceived gender, marital status, student status, or other bases the moment federal funds are commingled, religious institutions are allowed to discriminate. We hear a great deal about local control, but this bill eviscerates these state and local non-discrimination laws.

That is why the Gentleman from Massachusetts, Mr. FRANK, and I proposed an amendment in the Rules Committee. It is very simple, just one line. ''Notwithstanding anything to the contrary in this section, nothing in this section shall preempt or supersede State or local civil rights laws.'' Unfortunately, the Rules Committee refused to make our amendment in order, denying the House the opportunity to have an up or down vote on this critical issue.

The House still has an opportunity to correct this major problem with the bill. The Democratic Substitute maintains non-discrimination protections in current Federal, State and local law. I urge all of my colleagues to support the substitute.

It is very distressing that the proponents of this bill desire to chip away at our civil rights and non-discrimination laws. And it is even more distressing that they are using religion as a cover. Civil rights and religious freedom go hand in hand. Undermine one and you undermine the other. In the Federalist Papers Number 51, James Madison noted this interrelationship: ''In a free government, the security for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects.''

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to the separation of church and state by defeating this misguided legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield the balance of our time to my distinguished leader, the gentlewoman from California (Ms. WATERS).

The SPEAKER pro tempore. The gentlewoman from California (Ms. WATERS) is recognized for 2 minutes and 10 seconds.

Ms. WATERS. Mr. Speaker, I think it is important for some of us to say that we were raised in church, and that we are religious people. We went to Sunday school every Sunday when I was a little girl coming up. We went back to the 11 a.m. service with our parents, and then we went back at 6 o'clock in the evening to BYPU for the young people.

I do not want anybody to think that because we are against this bill, somehow we are not religious, or we do not believe in religion. We certainly do. What we do not believe in is discrimination. We cannot, as public policymakers who understand the Constitution and appreciate it, and understand the struggle of those people who came to this country fleeing religious oppression, sit here and allow something called a faith-based program to reinstitute discrimination. It is wrong, and we cannot stand for that.

Religious organizations in this country participate in this government in many ways. For those people who say we have to have this bill in order to have participation, they are wrong.

Let me just tell the Members, last year Lutheran Services, the largest faith-based organization to receive government aid, received about $2.7 billion, Jewish organizations received about $2 billion in government aid, Catholic Charities received $1.4 billion, and the Salvation Army received $400 million.

So what are we talking about? They have separate 501(c)3s that they apply under because they separate from the collection plate the money that comes from the government in order to carry out these programs, and that is the way it should be. We should never allow commingling of the government and taxpayers' dollars in the collection plate. It is wrong, it violates separation of church and State, and we should stop it on this floor right now, and not support the so-called faith-based organization initiative.

I would say to my friends and colleagues here today, we have the opportunity to uphold civil rights, to say we are against discrimination, to say we are not going to allow taxpayer dollars to turn people away who are applying for jobs, and most importantly, we are going to uphold the Constitution of the United States of America. I ask for a no vote on the faith-based organization initiative.

Mr. SENSENBRENNER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. CHABOT), the chairman of the Subcommittee on the Constitution.

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

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Mr. CHABOT. Mr. Speaker, as we debate this bill today, I would ask my colleagues not to let partisanship cloud their judgment on this proposal. The purpose of this bill is to help people. This is not some great scheme to funnel tax dollars to religious organizations or to force people to seek social services from religious providers. This bill will provide new hope and new opportunities to thousands of Americans. It will help the homeless, the hungry, and the downtrodden, and it will help those in need.

Over the past several months, the House Subcommittee on the Constitution held several hearings that looked at charitable choice programs and the role that faith-based organizations can play in the delivery of social services. We heard compelling testimony about the work of faith-based organizations that have received Federal funding under current law. It is the current law now.

And we discussed and debated the constitutional issues surrounding this legislative proposal. And at the conclusion of these hearings, two points were very clear. First, the charitable choice provisions of H.R. 7 are completely consistent with the Constitution. And second, faith-based organizations play a vital role in providing social services to the most desperate among us.

I would like to quote from a speech that was made a while back to the Salvation Army: ''The men and women who work in faith-based organizations are driven by their spiritual commitment. They have sustained the drug addicted, the mentally ill, the homeless, they have trained them, they have educated them, they have cared for them. Most of all, they have done what government can never do: they have loved them.''

Do my colleagues know who said that? Al Gore. Now I do not always agree with Al Gore, but I certainly agree with him in that particular instance.

This is legislation which is very important to the President. I want to thank the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), for getting us to this point today. We

want to make sure that this withstands any constitutional challenge that might be made against it. This is excellent legislation which will literally help thousands and thousands of the most desperately needy people in this country.

I want to thank the chairman for his leadership again on this. Let us pass this legislation today. It is important to an awful lot of people.

RESPONSES TO FALSE DEMOCRATIC CLAIMS IN THEIR DISSENTING VIEWS IN THE COMMITTEE REPORT

Claimed comparison of H.R. 7 with language of 1996 Welfare Reform Act

Footnote 7 of the Dissenting Views states that H.R. 7 does not contain language from the 1996 Welfare Reform Act that indicated its provisions were not intended to supercede State law, and therefore the absence of that provision from H.R. 7 means it somehow preempts State law. That is a mischaracterization of the provision in the 1996 Welfare Reform Act. The provision referred to in the 1996 Act was simply a ''savings clause'' that recognized that some states have provisions in their constitutions and state laws that don't allow them to spend state funds on faith-based organizations. The savings clause simply recognized that in those states with such laws, they could continue to segregate state funds as required by state law, but that they could also use federal funds in accordance with the charitable choice provisions of the 1996 Welfare Reform Act. Conference Report 104–430, accompanying H.R. 4, 104th Congress, 1st Session (December 20, 1995), at 361—the previously adopted welfare reform bill with the identical subsection (k) as that found in the Welfare Reform Act of 1996—provides the following explanation for the subsection: ''Subsection (k) states that nothing in this section shall be construed to preempt State constitutions or statutes which restrict the expenditure of State funds in or by religious organizations. In some States, provisions of the State constitution or a State statute prohibit the expenditure of public funds in or by sectarian institutions. It is the intent of Congress, however, to encourage States to involve religious organizations in the delivery of welfare services to the greatest extent possible. The conferees do not intend that this language be construed to required that funds provided by the Federal government referred to in subsection (a) be segregated and expended under rules different than funds provided by the State for the same purposes; however, States may revise such laws, or segregate State and Federal funds, as necessary to allow full participation in these programs by religious organizations.'' H.R. 7 gives states the same option. Subsection (j) provides that insofar as states use federal funds, or mingle state and federal funds, and uses them for covered programs, the federal rules in H.R. 7 apply. If states separate out their state funds, then they can of course use them without any federal conditions attaching.

Claim that millions of dollars already go to groups like Catholic Charities, so there is no problem to fix

The Dissenting Views point out that millions of dollars go to large organizations such as Catholic Charities every year, but fails to mention these are large, separately incorporated and secularized organizations, not churches. The purpose of H.R. 7 is to allow small religious organizations to be able to compete for social service funds by removing barriers to entry and allowing them to serve as churches, and to provide social services in their churches without having to rent out separate, expensive office space, or having to hire lawyers to create separate corporations.

Claim that H.R. 7 preempts general state and local nondiscrimination in employment laws

The Dissenting Views states that under H.R. 7 a national religious organization could choose to accept a single federal grant and attempt to use that as a shield against laws protecting gay and lesbian employment rights in all 50 states. This is wrong. Subsections (d) and (e) in H.R. 7 do not constitute a general preemption clause, but a narrow statutory right afforded faith-based organizations to help them preserve their religious liberty when they are using federal funds during the course of a federally funded program and encourage their participation in the delivery of social services for the poor and the needy. When a religious organization is not using federal funds during the hours of a federally funded program, which will be most of the time, the protections of H.R. 7 do not apply, and all State and local nondiscrimination in employment laws that are not tied to government funding, including those that prohibit discrimination based on sexual orientation, remain in effect. For example, in 16 states, employers with a single employee are covered by their state's civil rights law. Others set the minimum number of employees between 4 and 10. Ohio's employment discrimination law covers employers with 4 or more employees; Oh.St. §4112.01(A)(2); Wisconsin's covers employers with 1 or more employees; Wi.St. 111.32(6)(a); Massachusetts' covers employers with 6 or more employees; Ma.St. 151B §1(5); New York's covers employers with 4 or more employees; N.Y.Exec. §292(5); Michigan's covers employers with 1 or more employees; Mi.St. §37.2201(a); California's covers employers with 5 or more employees; Ca.Civil §51.5(a). Also, the provisions of H.R. 7 will not apply whenever a State or local government chooses to separate its federal funds from its nonfederal funds. Experience from existing charitable choice laws that contain the very same provisions as H.R. 7—and which have been on the books for five years—has shown that this narrow statutory right will not need to be invoked very often, if ever.

Claim that the House has never previously considered the details of charitable choice provisions

Contrary to the assertion in the Dissenting Views, the House has voted several times on amendments offered by Mr. Scott to strip away charitable choice provisions that would allow religious organizations to continue to be able to hire based on religion while taking part on federal programs.

The Fathers Count Act of 1999 contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott offered a motion to recommit the bill with instructions to remove the charitable choice provision allowing religious organizations receiving funds under the designated programs to make employment decisions on religious grounds. This motion was defeated 176–246, by a 70 vote margin including 34 Democrats. The bill was then adopted by the House by a vote of 328–93, by a 235 vote margin. Constitution subcommittee Ranking Member Nadler voted for the bill, as did four other Democratic Members of the House Judiciary Committee. Those other Members were Sheila Jackson-Lee, Boucher, Delahunt, and Meehan.

The Child Support Distribution Act of 2000 also contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott's motion to recommit with instructions would have removed the charitable choice provision allowing participating religious organizations to make employment decisions on religious grounds. The motion was defeated 175–249, by a 74 vote margin including 30 Decmocrats. The bill was then adopted by a vote of 405–18, by a 387 vote margin. Constitution Subcommittee Ranking Member Nadler voted for the bill, as did eight other Democratic Members of the House Judiciary Committee. Those other Members were Conyers, Watt Jackson-Lee, Lofgren, Berman, Boucher, Meehan, Delahunt, Wexler, Baldwin, and Weiner.

Claims regarding statements made by President Clinton when he signed previous charitable chioce laws

The Dissenting Views incorrectly state that prior charitable choice laws were enacted without the support of President Clinton, and they cite President Clinton's statement when he signed the re-authorization measure for the Community Services Block Grants Program (''CSBG'') into law that its charitable choice provisions should not be used to fund '' 'pervasively sectarian' organizations, as tha term has been defined by the courts.'' 134 Weekly Compilation of Presidential Documents 2148 (Nov. 2, 1998) (Statement on Signing the Community Opportunities, Accountability, and Training and Educational Services Act of 1998). However, the courts have since abandoned the ''pervasively sectarian'' test, and President Clinton's later statements on charitable choice provisions in October and December 2000, do not rely on the pervasively sectarian test, and those statements in fact support H.R. 7. The Congressional Research Service concluded in the December 27, 2000, Report to Congress on Charitable Choice, that ''In its most recent decisions[,] the [Supreme] Court appears to have abandoned the presumption that some religious institutions, such as sectarian elementary and secondary schools, are so pervasively sectarian that they are constitutionally ineligible to participate in direct public aid programs.'' CRS Report, at 29.

Indeed, on October 17, 2000, President Clinton stated his constitutional concerns regarding the implementation of the charitable choice provisions in Substsance Abuse and Mental Health Services Administration (''SAMHSA'') programs as follows: ''This bill includes a provision making clear that religious organizations may qualify for SAMHSA's substance abuse prevention and treatment grants on the same basis as other nonprofit organizations. The Department of Justice advises, however, that this provision would be unconstitutional to the extent that it were construed to permit governmental funding of organizations that do not or cannot separate their religious activities from their substance abuse treatment and prevention activities that are supported by SAMHSA aid. Accordingly, I construe the act as forbidding the funding of such organizations and as permitting Federal, State, and local governments involved in disbursing SAMHSA funds to take into account the structure and operations of a religious organization in determining whether such an organization is constitutionally and statutorily eligible to receive funding.'' Weekly Compilation of Presidential Documents (Oct. 23, 2000) (Statement on Signing the Children's Health Act of 2000), p. 2504. He made an identical statement regarding the charitable choice provisions in the Community Renewal Tax Relief Act when he signed that measure into law on December 15, 2000. See White House Office of the Press Secretary, ''Statement of the President Upon Signing H.R. 4577, the Consolidated Appropriations Act, FY 2001'' (December 22, 2000), at 8. These concerns are the same as those addressed by the provision in subsection (j) of the

Charitable Choice Act of 2001, which provides that, ''No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any [covered] program . . . shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4).'' The required separation would not be met where the government-funded program entails worship, sectarian instruction, or proselytizing. Under subsection (j), there are to be no practices constituting ''religious indoctrination'' performed by an employee while working in a Government-funded program. The same is true for volunteers.

Claim that current charitable choice laws have been barely implemented

The Dissenting Views states that current charitable choice laws have barely been implemented. This is untrue. Existing charitable choice programs have had a significant impact on social welfare. Dr. Amy Sherman of the Hudson Institute has conducted the most extensive survey of existing charitable choice programs. Dr. Sherman concluded that, currently, ''All together, thousands of welfare recipients are benefiting from services now offered through FBOs [faith-based organizations] and congregations working in tandem with local and state welfare agencies.'' Dr. Amy S. Sherman, ''The Growing Impact of Charitable Choice: A Catalogue of New Collaborations Between Government and Faith-Based Organizations in Nine States'' (''Growing Impact''), The Center for Public Justice Charitable Choice Tracking Project (March 2000) at 8. Dr. Sherman also found that fears of aggressive evangelism by publicly funded faith-based organizations have little basis in fact. According to Dr. Sherman: ''[O]ut of the thousands of beneficiaries engaged in programs offered by FBOs [faith-based organizations] collaborating with government, interviewees reported only two complaints by clients who felt uncomfortable with the religious organization from which they received help. In both cases—in accordance with Charitable Choice guidelines—the client simply opted out of the faith-based program and enrolled in a similar program operated by a secular provider. In summary, in nearly all the examples of collaboration studied, what Charitable Choice seeks to accomplish is in fact being accomplished: the religious integrity of the FBOs working with government is being protected and the civil liberties of program beneficiaries enrolled in faith-based programs are being respected. Id. at 11 (emphasis added). Religious groups in the nine states Dr. Sherman surveyed also registered few complaints about their government partners. According to Dr. Sherman, ''The vast majority reported that the church-state question was a 'non-issue,' and that they enjoyed the trust of their government partners and that they had been straightforward about their religious identify.'' Id.

The success of existing charitable choice programs had led the National Conference of State Legislatures (''NCSL'') to support their expansion. According to Sheri Steisel, director of NCSL's Human Services Committee, ''In many communities, the only institutions that are in a position to provide human services are faith-based organizations. Providing grants to or entering into cooperative agreements with faith-based and other community organizations to provide government services is something that has proven effective in the states over the past five years. As welfare reform continues to evolve, it is important that government at all levels continues to explore innovative ways to provide services to its constituents. We are extremely pleased that the President is joining the states in exploring these new opportunities.'' News Release, ''Faith Based Initiatives Nothing New to Nation's State Lawmakers'' (January 30, 2001). Some states have embraced charitable choice to the tune of spending hundreds of thousands of dollars or, in some cases, millions in contracts with congregations and other organizations that would not otherwise have been eligible. See Associated Press, Survey Highlights Charitable Choice (March 19, 2001).

Claim regarding the number of ''charitable choice'' lawsuits filed

The Dissenting Views states that there have been five lawsuits filed challenging existing charitable choice laws. That is not true. The Dissenting Views mention three lawsuits that do not involve the terms of federal charitable choice programs, and another has already been dismissed as moot:

American Jewish Congress v. *Bernick*, (San Francisco County Superior Court, filed January 31, 2001) (challenging a program announced in August 2000 by the California Department of Employment Development to fund job training offered by groups that had never before contracted with government; charging that only religious organizations were eligible to compete). The State of California filed an affidavit in the case stating no TANF funds were used in the program.

Pedreira v. *Kentucky Baptist Home for Children*, Case No. — (E.D. Ky., filed April 17, 2000) (charging that the dismissal of an employee, who was employed to help the Kentucky Baptist Home for Children distribute state funds for the provision of child care, on the grounds that her sexual orientation was contrary to the employer's religious tenets violates the establishment of religion clause). No federal funds were used in this case, so the lawsuit does not involve a federal charitable choice program.

In *Lara* v. *Tarrant County*, 2001 WL 721076 (Tex.), the court stated that ''This case involves a dispute over a religious-education program in a Tarrant County jail facility. Our inquiry focuses on the Chaplain's Education Unit, a separate unit within the Tarrant County Corrections Center, where inmates can volunteer for instruction in a curriculum approved by the sheriff and director of chaplaincy at the jail as consistent with the sheriff's and chaplain's views of Christianity.''

American Jewish Congress and Texas Civil Rights Project v. *Bost*, No. — (Travis County, Texas, filed July 24, 2000) was dismissed as moot on January 29, 2001.

Claim that H.R. 7 requirement that an alternative unobjectionable on religious grounds is available is an ''unfunded mandate''

The Dissenting Views state that H.R. 7's requirement that an alternative be available that is unobjectionable to a beneficiary on religious grounds is an ''unfunded mandate.'' This is not true. As the Congressional Budget Office points out in its statement on H.R. 7, ''All of [the charitable choice] requirements are conditions of federal assistance, and therefore, are not mandates under UMRA [the Unfunded Mandates Reform Act].''

Claim that children could be subject to ''peer pressure'' to engage in proselytizing activity

The Dissenting Views worry about children being subject to ''peer pressure'' that leads them to take part in sectarian activities outside a federal program.

H.R. 7 excludes from covered programs those that include ''activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801),'' except it does not exclude activities ''related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.).'' Children eligible to attend elementary schools or secondary schools is defined in Elementary and Secondary Education Act of 1965, 20 U.S.C. §8801(3), as follows: ''The term 'child' means any person within the age limits for which the State provides free public education.''

Also, H.R. 7 makes clear that any sectarian instruction, worship, or proselytizing activities must be conducted separate and apart from the federally-funded program, and any children taking part in any such activities would be doing so under the normal doctrines of guardianship law.

Claim that H.R. 7 allows discrimination against beneficiaries

The Dissenting Views incorrectly states that H.R. 7 allows discrimination against beneficiaries because its terms only refer to a prohibition on discrimination against beneficiaries on the basis of religion. First, courts will interpret ''on the basis of religion'' in the same way they do when interpreting the Title VII exemption, which is to also include within ''religion'' an organization's beliefs regarding lifestyle. Courts have held that the §702 exemption to Title VII applies not just when religious organizations favor persons of their own denomination. Rather, the cases permit them to staff on the basis of their faith or doctrine. See *Little* v. *Wuerl*, 929 F.2d 944 (3d Cir. 1991) (Catholic school declines to renew contract of teacher upon her second marriage); *Hill* v. *Baptist Memorial Health Care Corporation*, 215 F.2d 618 (6th Cir. 2000) (dismissing woman when she became associated with church supportive of homosexual lifestyle and announced she was lesbian). H.R. 7's provisions in subsection (h)(1) prevent religious organizations taking part in covered programs from discriminating against beneficiaries of grant programs on the basis of a refusal to hold a religious belief. Therefore, a religious organization could not discriminate against homosexual beneficiaries of grant programs because they do not adhere to a religious belief that homosexuality is a sin.

Also, Title VII does not exempt a religious organization from a discrimination claim based on sex, and Title VII treats discrimination against a woman because of her pregnancy as discrimination based on sex, and prohibits it. The answer is the same whether the woman is married or unmarried.

Further, H.R. 7 does not preempt State or local laws protecting beneficiaries from discrimination, including State or local laws that prohibit discrimination against homosexuals in the receipt of social services.

Claim that beneficiaries don't have a right under H.R. 7 to enforce discrimination claims in court

The Dissenting Views state that beneficiaries facing discrimination do not have a right to enforce their rights in court. This is patently untrue. Any beneficiary who is discriminated against may sue, in federal court, a State or locality under subsection (n) and get them to stop any discrimination going on in a covered program that denies a beneficiary access to a service on the basis of religion, a religious belief, or a refusal to hold a religious belief. A beneficiary who is protected by any other State or local law protecting beneficiaries in the receipt of services can enforce their rights in court under those laws as well. Beneficiaries are also protected against discrimination based on race under Title VI.

Claim that subsection (l) regarding indirect funding was ''hidden in the fine print''

The Dissenting Views claim that subsection (l) was hidden ''in the fine print'' of the manager's amendment and ''added in the middle of the night.'' Well, subsection (l) was typed on the page in the same font and font size as any other provision in the amendment, and the amendment was distributed the afternoon before the markup, at about 3 o'clock. Subsection (l) was not buried in a footnote. Indeed, the entire charitable choice sections of the amendment consisted of a mere 13 pages, double spaced, in standard legislative counsel format. Of course, we had been working on changes, but we didn't have the final draft until that afternoon and therefore couldn't distribute it to our Republican Members until the day before the markup too.

Claims on indirect funding that are internally inconsistent

The Dissenting Views are internally inconsistent on the significance of indirect funding. On the one hand, on page 305, they state that indirect funding of religious organizations is objectionable because when a religious organization engages in sectarian instruction, worship, or proselytizing with indirect funds, it is still doing so ''with Federal funds.'' But on page 298, the Democrats say it's all right for religious organizations to hire staff based on religion when they receive Federal funds indirectly. Apparently there is dissent even within the Dissenting Views.

Claim that ''you can't have it both ways'' on non-proselytization and hiring on a religious basis

The Dissenting Views state that the Majority ''cannot have it both ways—either the Federal funds will be used for religious purposes, in which case there may be a justification for tolerating religious discrimination [in hiring]; or the funds will be used in a nonsectarian manner, in which case there is no reason to discriminate [in hiring] on the basis of religion.'' This totally misses the point that faith-based organizations perform secular social services motivated by religious conviction. They want to provide social services as a church. While the task of serving the poor and the needy is ''secular'' from the perspective of the government, from the viewpoint of the faith-based organization and its workers it is a ministry of mercy driven by faith and guided by faith. As the Reverend Donna Jones of North Philadelphia stated in her testimony before the House Subcommittee on the Constitution, she and her fellow church members did not want to set up a separate secular organization to perform good works because they were motivated to perform those good works together as a church, and they wanted to retain their identity as a church when they provided the services.

Justice Brennan makes this same point in his concurring opinion in the *Amos* case, which upheld the current Title VII exemption for religious organizations seeking to preserve the religious character of their organization. Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities, such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where the content of such activities is secular—in the sense that it does not include religious teaching, proselytizing, prayer or ritual—he recognized that the religious organization's performance of such functions is likely to be ''infused with a religious purpose.'' *Amos,* 483 U.S. at 342 (Brennan, J., concurring). He also recognized that churches and other religious entities ''often regard the provision of such services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster.'' *Id.* at 344. Perhaps one of the greatest liberal Justices, then, recognized that preserving the Title VII exemption when religious organizations engage in social services is a necessary element of religious freedom.

Mostly importantly, faith-based organization employees and volunteers can do their good works out of religious motive. While the task of helping the poor and needy is ''secular'' from the perspective of the Government, from the viewpoint of the faith-based organization and its workers it is a ministry of mercy driven by faith and guided by faith.

Claim that H.R. 7 allows a faith-based organization to discriminate based on interracial dating or marriage

The Dissenting Views claim that H.R. 7 will permit employment discrimination on the basis of interracial marriage. The cited source, an NAACP memo, plays off Bob Jones University v. United States, 461 U.S. 574 (1983). The claim in false. Title VII prohibits racial discrimination in employment by faith-based organizations. It is an act of facial discrimination to fire a while person because he or she marries a black person. There are no reported cases of anyone ever being allowed to be discriminated against by an organization due to interracial dating or marriage under Title VII.

Finally, in no way does H.R. 7 overrule the Bob Jones case. The case involved a challenge to a 1971 IRS Ruling which denied tax exempt status, under 501(c)(3), to any school which engaged in racial discrimination, and the Bob Jones University prohibited interracial dating by its students. The IRS Ruling has nothing to do with federal funding. H.R. 7 does not affect the Supreme Court's decision in any way. The IRS Ruling #71–447 continues in full force and effect.

Claim that Justice O'Connor disapproves of direct funding of religious organizations

In Justice O'Connor's view, monetary payments are just a factor to consider, not controlling. Also, please note that Justice O'Connor concurred in the opinion in Bowen v. Kendrick, where she joined in approving direct cash grants to religious organizations, even in the particularly ''sensitive'' area of teenage sexual behavior, as long as there is no actual ''use of public funds to promote religious doctrines.'' *Bowen* v. *Kendrick,* 487 U.S. 589, 623 (1988) (O'Connor, J., concurring).

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

This particular bill is shared in its jurisdiction between the Committee on the Judiciary and the Committee on Ways and Means. The discussion that we have been hearing is over the second title of the bill. There are three titles. The first title deals with charitable contributions by individuals and businesses. The second title is that which has been under discussion. The third title deals with individual or independence accounts, which is a demonstration program that the Committee on Ways and Means addressed.

I believe, and I hope it is true, that the debate about the constitutionality of this bill, which I do not believe to be meritorious, does not apply in any way to title I and title III discussions. It is well-established in terms of the charitable contribution aspect of the Tax Code. The committee examined these issues through subcommittee hearings, analyzed other Members' pieces of legislation and of course listened to groups who are involved in charitable activities, and then suggested a number of proposed tax changes that could create a more positive environment for giving.

The cost of the bill, over 10 years, as determined by the Joint Committee on Taxation, is a little over $13 billion over a ten year period. About half of that is directed toward creating a greater opportunity for those income tax payers who do not itemize their income taxes. These individuals are then recognized for additional tax contributions to charitable organizations beyond that amount already incorporated into the determination of the standard deduction.

It also addresses the fact that more and more seniors, through very prudent decisions, have individual retirement accounts that they put away for their senior years, and that some individuals, while in those senior years, have decided that they would be able to make additional charitable contributions. There now is a taxable consequence for directing those charitable contributions, and we eliminate that for seniors if they choose to use a portion of their individual retirement account for charitable giving.

In addition to that, there are a number of industries who are involved in the food services business who contribute excess food to charity but who certainly would be induced to do so even more if there was a modest recognition in the Tax Code for the contribution of those foodstuffs. And we will hear more about that provision as we discuss the rest of the provisions.

In addition to that, there are two rather arcane sections of the bill in which, based upon the structure of a corporation, that corporation either may be able to claim the full value of appreciable property or it cannot. The committee decided, listening to testimony, that it did not make any sense to differentiate between a so-called Subchapter S corporation or a C corporation; that a C corporation could donate property and get a deduction for the full appreciated asset and Subchapter S corporations could not.

These are the kinds of changes that constitute title I. As I said, over 10 years, there are about $13 billion. Some may say that these are very modest. But if we examine especially the corporate provisions on foodstuffs and the manner in which appreciable property could be donated, I believe that we will have a significant impact, far more than the $13 billion over the 10 years; and it could amount to as much as several billion dollars the first year.

So it may be called modest, but it is a step in the right direction; and I do hope Members, as they assess their vote on this bill, would look at the consequences of voting no, especially in regard to title I and to title III. These are sections of the bill that should be passed into law. And from my reading

of the Constitution, section II should be as well.

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

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from New York (Mr. RANGEL), the ranking member, my friend and colleague, for allowing me to control this part of the debate on this bill.

Mr. Speaker, H.R. 7 is wrong for America. Allowing religious organizations to provide much-needed social services to disadvantaged people or people in need sounds like an innocent way to solve many of our problems. But the truth is that it allows these organizations to use Federal dollars, the taxpayers' dollars, to discriminate in their hiring. This is not right. It is not fair. It is not just.

I have spent more than 40 years of my life fighting against discrimination. We have worked too long and too hard, and we cannot sit back and watch the work of so many people who sacrificed so much be undone by this bill. We have come too far in this country to go back now. The House should not support a bill that allows the Government to promote discrimination, or return to the days when religious intolerance was permitted. It is not the right thing to do. It is not the right way to go. It is not the way to use the Tax Code.

Furthermore, this bill is an assault on the separation of church and State. This concept underlies our democracy. Yet H.R. 7 compels a citizen, through his tax dollars, to fund religious organizations. Tax dollars will go directly to churches, synagogues, and mosques. The wall between church and State must be solid. It must be strong. It has guided us for more than 200 years. It must not be breached for any reason.

There is no doubt, Mr. Speaker, that there are many religious organizations and institutions providing much-needed services to our citizens. But as a government and as a Nation, we should not sanction religious discrimination or violate the separation of church and State. I urge my colleagues to vote against H.R. 7.

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

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE), a member of the Committee on Ways and Means.

Prior to that, however, I ask unanimous consent that the gentleman from Michigan (Mr. CAMP) be allowed to manage the remainder of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. CRANE) is recognized for 2 minutes.

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

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding me this time.

We now have an excellent opportunity to advance sound tax policy and sound fiscal policy and sound social policy by returning to our Nation's historical emphasis on private activities and personal involvement in the well-being of our communities. Because the legislation we are considering contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

Mr. Speaker, I have long been an advocate in making changes in the Tax Code to encourage charitable giving. For many years, I have championed and sponsored some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for nonitemizers. In fact, I do not believe there is a Member in Congress who has fought longer and harder for restoring a charitable deduction for nonitemizers than me. I have introduced the nonitemizer deduction legislation in every Congress since the 99th, and it is gratifying to finally see its inclusion in this legislation.

I would like to thank the gentleman from Oklahoma (Mr. WATTS) for including my provisions in H.R. 7, and the chairman, the gentleman from California (Mr. THOMAS), for including it in the mark. While I am pleased that the nonitemizer deduction was included in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. I hope to be able to work with the chairman in the future to raise the limit up to the standard deduction.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL), the Committee on Ways and Means ranking member.

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

Mr. RANGEL. And now, my colleagues, we get to act two of this bill. And as was indicated by the chairman of the committee, while the tax provisions may not be unconstitutional, in my view they are unrealistic.

The President has seen fit to provide some $84 billion to taxpayers in order to encourage them to do the right thing, to make charitable contributions. But there was no money to do that. So the leadership in the Committee on Ways and Means reduced the $84 billion down to $13 billion. Well, we cannot do much with that if we want to give incentives to those people who do not itemize. But in order to make certain that this size 12 foot fits into a size 6 shoe, they had to put a cap on the amount that a person could deduct.

Now, listen to this, because if you are a charity, you are in trouble. The cap on the amount of money that a taxpayer who does not itemize can give is $25. Of course, if it is a married couple, it increases dramatically to $50. If an individual is in the 15 percent bracket, they will be able to get a return up to $3.75. So much for a realistic incentive.

What we are trying to do with the $13 billion is at least to pay for it, and we believe that the highest income people in this country can afford to pay for at least the $13 billion that hopefully will be given to those people in our great society that are least able to take care of themselves. It should not be that we should have to give incentives. But if we have to do it, let us give those that can really work.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a distinguished member of the Committee on Ways and Means.

Mr. PORTMAN. I thank my colleague and rise in strong support of this bill because it will help Americans who are most in need.

Over the past decade, Mr. Speaker, our Nation has enjoyed great prosperity, but it has not reached everybody. And the idea of this legislation is to try to reach people who have been left behind and to try to get at our very toughest social problems.

Some, including some I have heard earlier today, think the Government is the answer; that the Government is going to solve these problems. The Government can solve some of these problems; but we know from experience that when it comes to helping those most in need, there is no questioning the great success of community groups, of faith-based groups, of our churches, our synagogues, our temples reaching out to people. And not just helping them in their immediate need, but helping people help themselves by transforming lives. That is what this is all about.

Currently, government regulations often prohibit Federal assistance to support these institutions.

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That is a fact. That is what we are trying to break down. We have heard a lot of discussion today about how this raises concerns.

Opponents today have said it violates the separation of church and State. Not true. This bill strictly follows the boundaries that have been established over time by the Constitution and by numerous court decisions. These funds will not be used for religious purposes. These funds will be used to fund the good work that these groups are doing in our communities.

We have heard opponents say this bill threatens the independence of religious organizations. That is not true. First of all, it is entirely voluntary. No religious organization must partner with government to get these funds. Second, the legislation contains specific protections to prohibit the Federal government from interfering with the internal governance of the religious organizations.

We have heard opponents say this bill discriminates in employment. Not

true. This legislation strictly protects the exception for religious organizations that were first established in the Civil Rights Act of 1964. This exemption allows religious organizations to maintain their character and mission by hiring staff that share their beliefs. That is all. That exemption continues. Organizations still must comply with all Federal laws regarding discrimination.

I would say Congress has passed four bills during my tenure here that President Clinton signed that have similar charitable choice provisions.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 5 seconds to the gentleman from Virginia (Mr. SCOTT) on intervention.

Mr. SCOTT. Mr. Speaker, I wanted to point out that any program that can get funded under H.R. 7 can be funded today. There is no discrimination against religious organizations. Many religious organizations get money today.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, President Bush has said we should fund the good work of the faithful but not the faith itself. I agree. Unfortunately, somewhere along the line the administration's proposal as reflected in the bill before us lost track of the goal of providing additional funds for faith and community groups to help needy families. Instead, the bill promotes government-funded religious discrimination, turning the President's campaign proposal on its head.

President Bush and the authors of H.R. 7 have continually failed to acknowledge that religious charities can and already do receive government funding to address poverty and other social problems. For example, Catholic Charities receives two-thirds of its budget from Federal, State and local government. The armies of compassion are already marching with the Federal government's thanks, blessing and money.

The bill before us does not provide a single dime in new money for these programs, no new resources for child care, social services, substance abuse treatment, housing or any other pressing need that the community and faith-based organizations are working to meet.

I asked the Committee on Rules to make an amendment in order that would have backed up our bold talk with badly-need funds. My amendment would have increased resources for the child care and the social services block grant, two programs that are underfunded and have a long and successful record of supporting faith-based organizations. Unfortunately, the Committee on Rules rejected my amendment along with a number of other amendments that would strengthen this bill.

Rather than providing real assistance to religious charities to serve needy families, the President's initiative focuses on allowing groups receiving government money to discriminate in their hiring practices. In fact, the proposal goes so far as to preempt State and local laws on prohibiting employment discrimination.

Proponents of the H.R. 7 have said they are simply continuing a current exemption to the Civil Rights Act, as the gentleman from Cincinnati (Mr. PORTMAN) just said, for the hiring practices of religious organizations.

This exemption is a common sense provision that ensures a synagogue is not required to hire a Catholic as a rabbi and a Christian church is not required to hire a Jew as a priest. However, the bill before us today is talking about something very different, allowing discrimination in secular jobs which are directly supported with government dollars. Such discrimination is not only wrong, it is unconstitutional.

In its decision on this specific issue, Dodge v. Salvation Army, a U.S. District Court ruled, and I quote, ''The effect of government substantially, if not exclusively, funding a position and then allowing an organization to choose the person to fill or maintain that position based on religious preference clearly has the effect of advancing religion and is unconstitutional.''

Mr. Speaker, there is no disagreement in this Chamber about the important role that religious charities play in addressing our Nation's problems. However, many of us are concerned about the proposal that it attempts to bypass constitutional protections while simultaneously failing to provide the necessary resources to achieve its stated purpose.

Mr. Speaker, I urge my colleagues to support the substitute that provides the protections and to reject the underlying bill.

Mr. CAMP. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, Americans in communities across the country give their time, their talents and their money to help worthy causes. We have always been a generous people. DeTocqueville noted this in the mid-1800s when he spoke of the unique American tradition of volunteerism. No matter the social or economic burdens, the average American takes extraordinary actions to make a difference and to help those in need, not because they must but because they care.

H.R. 7 is a reflection of President Bush's vision to tap into the generosity of average Americans by expanding tax relief for charitable donations and by encouraging all organizations to participate in caring for those in need.

Currently, taxpayers who itemize their returns get to take a charitable deduction. Unfortunately, the Tax Code leaves out the nearly 70 percent of taxpayers who do not itemize. H.R. 7 eliminates that restriction. It puts a toe in the door. It rewards the taxpayer's charitable choice and will lead to a corresponding boost in donations.

The bill also allows wealthy retired individuals to donate more money from their IRA without a tax penalty. Older people with means who want to help the community by donating to charity should be encouraged and not punished by the Tax Code.

Lastly, we should continue developing public-private partnerships between the government and charitable organizations.

Some critics claim that this is a dangerous blurring of politics and religion. With great respect, I disagree. I believe that by supporting this bill we honor our common commitment and belief in helping our fellow human beings.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I rise in favor of the Democratic substitute.

Mr. Speaker, I rise in support of the Community Solutions Act, Democratic Substitute, as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is a panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, ''Do unto others as you would have them do unto you.''

I have listened intently to the issues raised by my colleagues who have expressed serious concerns about this legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three federal social programs: (1) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, (2) The Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration. Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purpose by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that

after serious scrutiny and debate we have language which protects our citizens and repudiates employment discrimination on the basis of race, color, religion, national origin or sexual preference.

The overall purpose and impact of this legislation can be good. It reinforces for us the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs. Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties. It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, homelessness, are still rampant in our country. Let's look, if you will, at an exoffender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society. These situations create the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that new occasions call for new truths, new situations make ancient remedies uncouth. Well, I can tell you Mr. Speaker, the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the Mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin sick souls.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions. H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

But it cannot be allowed to help expand discrimination; therefore, I urge that we vote for the democratic substitute and the motion to recommit.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, whenever we pass this legislation, we have to ask ourselves, what is broke? What are we trying to fix?

The gentleman from Virginia (Mr. SCOTT) has very clearly said any religious organization can accept money. In the present situation, this bill is not needed. Catholic Charities gets 62 percent. That equates to $1.4 billion a year from the Federal Government. The Salvation Army gets $400 million a year. United Jewish Communities, their nursing homes get 76 percent of their money from the Federal Government. Lutheran Services gets 30 percent of their $6.9 billion from the Federal Government. That is $2.6 billion.

Mr. Speaker, my colleagues tell me that faith-based organizations need this bill to get this money. That is clearly not what we are doing here. We are skirting around the court case we heard about. We want to give the ability of religious organizations to break laws that are here today and mix church and State.

The other thing that we are doing, and everybody forgets the past, the other side of the aisle took money from the Community Development Block Grant for social services 2 years ago and put it into the transportation budget. Now these agencies are coming and saying, we do not have enough money. So the other side of the aisle's answer is, well, we will just ask people to contribute more. We will put this really good incentive out there.

Mr. Speaker, everybody who has filed the short form in this country now has the opportunity to give $25. If they keep records, and they have to keep records where they gave that $25, they then will get $3.75 back. Now, I do not know how stupid the other side of the aisle thinks 75 percent of the American people are. If they care, they are already giving $25. They will give $25 or $50, or whatever they have, but they are not going to do it for $3.75 that they have to wait a year to get. This is simply a nonsense bill.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, the real issue today is, will blind ideology and partisan politics stand in the way of our investing in successful faith-based programs, in communities and families, and in individuals truly in need? The naysayers today are the same people who told us that welfare reform would not work; and look at the results.

For years, faith-based charities have reached out, making it their mission to serve our communities. They work to support those who are struggling and have broken lives. These groups provide emergency food and shelter, after school care, drug treatment, welfare-to-work assistance, and many other services. They do it with little support from the Federal Government, but they get the job done.

Because of all of that, what these groups do for our communities, I urge my colleagues to step back from partisan politics, step back from blind ideology and support the Community Solutions Act.

Mr. Speaker, this bill will stimulate an outpouring of private giving to nonprofits, faith-based programs and community groups by expanding tax deductions and other initiatives.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this is an outrage. I got religion in a lean-to many years ago, so there is very little my colleagues can tell me about faith based. But they can say to me that they want to discriminate, and I can hear that in whatever language they speak it in.

Mr. Speaker, the other side of the aisle is giving a set-aside. That is what my colleagues are doing. It is a set-aside with Federal funds for religious organizations, and it is a subterfuge. It is a set-aside on civil rights.

It is well-intended. There are some good people behind this bill, and there were some good people behind slavery. We do not want that to happen again. We have to watch this.

There is no one in this Congress that is more faith based than I am, so I should have every reason to support H.R. 7. But, Mr. Speaker, I am afraid of this bill. Some of the little churches in my community are going to be misguided and misrepresented; and, before we know it, they will be in Federal court because of some of my colleagues' foolishness trying to spread out and do something.

Mr. Speaker, why are my colleagues doing this bill? There is only one reason. It is a subterfuge.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON), a distinguished member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this act will actually increase charitable giving. I want to focus on the value of individuals donating funds from their IRAs to charities once they reach the age of 70½. Permitting older Americans to roll over funds from a retirement account without the government getting a piece of the action is a major help for charities. When this bill becomes law, a $100 YMCA contribution will be a $100 contribution, not $85 because the IRS is not going to take their chunk out.

Mr. Speaker, charities do remarkable things for our country. They change the lives and hearts of so many for the better. They feed the hungry, clothe the homeless, and assist the needy. Now is the time to help charities help those most in need. Let us help the charities keep more of their well-deserved dollars. It is the right thing to do.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the question before this House is not whether faith is a powerful force; it is. The question is not whether faith-based groups do good works; they do. The question is not even whether government can assist faith-based groups in their social work; the government does, and has so for years without this bill.

Mr. Speaker, rather, the vote on this bill boils down to two fundamental questions: First, do we want citizens' tax dollars funding directly our churches and houses of worship? Second, is it right to discriminate in job hiring when using tax dollars?

By directly funding churches and houses of worship with tax dollars, this bill obliterates the Bill of Rights' wall of separation between church and State. As all of human history has proven, entanglement between government and religion will lead to less religious freedom and more religious strife. Government funding of our churches will absolutely lead to government regulation of our churches, and it will cause religious strife as thousands of churches compete for billions of dollars annually.

Mr. Speaker, to my conservative colleagues I would say this: No one should be more concerned than true political conservatives about the idea of the long arm of the Federal Government and its regulations extending into our sacred houses of worship.

I would challenge any Member of this House to show me one nation anywhere in the world that funds its churches and has more religious liberty, more religious vitality or tolerance than right here in the United States.

Regarding the religious discrimination subsidized by this bill, I would say this: No American citizen, not one, should ever have to pass someone else's religious test in order to qualify for a federally funded job. Sadly, under this bill, a church or group associated with Bob Jones University could put out a sign that says, ''No Catholics Need Apply Here'' for a federally funded job. That is wrong. This bill is wrong for religion, it is wrong for our churches, and it is wrong for our Nation.

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Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HOUGHTON), a distinguished member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, there are many parts of this bill. The part I would like to concentrate on is something which the gentleman from Ohio (Mr. HALL) and I have been working on for a long time. The basis is this: there are 31 million Americans, according to a Department of Agriculture report, who go to bed hungry every night; and 12 million of those are children. One of the things this bill does is to encourage and gives a tax incentive to restaurants and hotels and people like that who have excess food, throw it away, to give it to these organizations, to help these people that are hungry.

That is all it is. It is a very simple part of this bill. I think it is needed, and I think it is the right area.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I would take second place to no one in this Chamber in my faith and my belief in God. I would take second place to no one in this Chamber in terms of my personal commitment to supporting faith-based organizations. But I cannot support the bill as presently drafted and specifically focusing on the discrimination aspect of the bill.

No one in this Chamber would ask that a Jew serve as a Catholic priest or a Muslim serve as a Christian minister. But what this bill specifically does, and we should face it and we should talk about it and think about the implication, is that the person serving the soup literally with the ladle would be allowed to be only of a certain faith, whatever that faith may be, with Federal funds. That is a very scary concept, I think, for many Americans. I ask my colleagues to sensitize themselves about that. We could talk around that issue. We could talk any way that we want. If that money is coming from my donation as a free will offering, and that institution chooses to do that, they have the ability, but not with Federal funds, not with taxpayer dollars.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a distinguished member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I think it is important as we listen to this debate to hear what the opponents are saying. They are not attacking this bill head-on. They are chewing around the edges. They are trying to set up roadblocks. They are trying to put new provisions in law with respect to the civil rights acts. What they are trying to do is make this program unworkable.

We hear this comment repeated over and over: Catholic social services, Lutheran social services is getting all this government money. That is true. The large, high-financed, well-established churches do get Federal funding. They can afford the attorneys, they can afford the accountants, they can afford the largesse to afford these complicated tax structures to get this money.

That is not what this bill is about. This bill is about the little guy. This bill is about the people who have those small, faith-based organizations in our inner cities, in our rural areas, who know the names, who know the faces, of those who are in need.

The problem that we have had with this Federal Government, with the welfare state, with our approach to poverty, is that we have treated the superficial wounds that have plagued our population but we have not treated the soul. We have not treated the heart of the problem. The goal here is to let those small institutions of civil society throughout America, those faith-based organizations, who know the name of the person in need, who are there in the ghettos, in the streets, to help them, to sight their problems and to help them and to get assistance.

This bill is about discrimination. We are discriminating against those groups from getting equal treatment of our laws to help these people in need. It maintains every point of our current civil rights laws today. There is no civil rights law that is degraded in this act as we move forward. We are simply removing discrimination against these groups.

I urge passage of this bill. I think this bill has the potential of changing our culture more so than any other measure we may be considering here in this Congress. I think those who are on the other side are well-intended, but I think it is the right time that we pass this legislation. I urge its passage.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, if what the previous gentleman said was in the bill, it would be much less controversial. It does change civil rights laws. It preempts, as the chairman of the committee acknowledged in the debate, all State and local laws that many of these organizations do now have to abide by in their purely secular activity, and it allows discrimination with Federal funds for purely secular activities. It says, ''No, you can't discriminate based on race, but you can based on religion.''

But, sadly, all too often in America, religion becomes a proxy for race. When Orthodox Jews get this money in Brooklyn, no blacks will be hired. When the Nation of Islam gets this money in Baltimore to deal with public housing, no whites will be hired. In fact, religion is all too often correlated with race. And when you say to religious groups, provide a purely secular activity with Federal tax dollars but in employing people to serve the soup or build the homes or clean up or give drug treatment, hire only your own coreligionists, you are empowering people de facto to engage in racial segregation. That is not worthy of the purposes of this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I would just point out that no one is going to make a $25 donation because they can get $3.75 back from their taxes a year from now. If we want to help these organizations, we ought to increase the appropriations that have been cut over the past few years.

And we are not going around the edges. The basic core part of the bill does not help little churches. They still have to do a grant-writing proposal. They still have to run a program pursuant to Federal regulations. They still have to withstand an audit. But they cannot discriminate now, and this bill will allow them to discriminate in hiring. That is wrong. That is why the bill ought to be defeated.

Mr. CAMP. Mr. Speaker, I yield myself the balance of my time.

Just briefly on the tax provisions in this bill, this bill is about fairness. It

allows those 70 percent of taxpayers who do not itemize ability to give charitable contributions regardless of their itemizing on their tax returns. IRS data shows that if they do, they will increase their charitable giving significantly.

It also allows for tax-free withdrawals from IRAs and Roth IRAs. It also gives incentives for increased charitable contributions by businesses and employers in terms of food from restaurants or computer equipment from other businesses.

This will be a real benefit to our communities. I urge support and passage of this bill.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in very strong opposition to H.R. 7, the Charitable Choice Act of 2001.

This legislation sanctions government-funded discrimination. Passage of this bill would allow religious organizations who receive government funds to hire only those individuals who prescribe to the organization's religious tenets. The bill would also override state and local civil rights laws that prohibit discrimination based on race, sex, national origin and sexual orientation.

This bill proposes a major change to the basic American principle of separating church and state. Federal agencies would be given the opportunity to take all of the funding for a program and convert it into vouchers to religious organizations. Religious groups receiving this money would be able to use it for any number of purposes, including proselytizing.

Supporters of this bill claim that more individuals will be helped because more organizations will have access to federal funds. This is simply not the case. H.R. 7 does not provide one additional dollar in federal funding for social programs. In fact, the President's budget actually cuts funding for the very programs that are being touted in this bill.

The tax provisions of this bill are a joke. On the campaign trail, the President wanted to encourage greater charitable giving by providing $91.7 billion in tax breaks for those who donate. H.R. 7 provides only $13.3 billion in tax incentives for charitable giving. Why the discrepancy? In their haste to pass a massive tax cut, the President and Republicans abandoned the charitable donation proposals.

I urge all members to vote against this harmful legislation.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to H.R. 7. As an active member of my local church, I strongly support the good work performed by faith-based charities across this country. But there is a right way and a wrong way to provide government support for those efforts. Unfortunately, this bill represents the wrong way.

H.R. 7 will allow religious organizations to discriminate in hiring on the basis of race, color, sex, national origin and sexual orientation while using federal tax dollars collected from all Americans. This would be a giant step backwards for civil rights. This legislation also subverts First Amendment safeguards by allowing individuals to use vouchers in faith-based programs. Finally, sending federal tax dollars directly to our houses of worship is unconstitutional, and will inevitably lead to government regulation of religion.

Mr. Speaker, I am proud to support the Democratic Alternative to H.R. 7. The Democratic Substitute will prevent the charitable choice provisions in H.R. 7 from preempting or superseding state or local civil rights laws. The Substitute will also prohibit the use of vouchers and other indirect aid by religious organizations. Mr. Speaker, the Democratic Alternative represents the right way to establish partnerships between faith-based organizations and government. We must never use the American people's money to condone discrimination.

Faith- and community-based organizations have always taken the lead in combating the hardships facing families and communities, and I strongly support the work they have done and will continue to do. But H.R. 7 is the wrong way to show our support for these important organizations. I urge my colleagues to oppose H.R. 7 and to support the Rangel Substitute.

In addition, Mr. Speaker, I want to submit for the RECORD a list of some of the distinguished organizations that have contacted me to express opposition to H.R. 7. This list is large and broad-based and demonstrates the divisive nature of this bill in its present form. I am hopeful Congress will come together across party lines to pass a common sense compromise to support faith-based charities.

Here is a partial list of organizations that oppose H.R. 7:

The Baptist Joint Committee
The United Methodist Church, General Board of Church and Society
The Presbyterian Church, USA
American Baptist Churches, USA
The Episcopal Church, USA
The American Jewish Committee
The Anti-Defamation League
The American Association of School Administrators
Hadassah, The Women's Zionist Organization of America
The American Association of University Women
The American Federation of Government Employees, AFL–CIO (AFGE)
The American Federation of State, County and Municipal Employees (AFSCME)
The American Federation of Teachers
The National Coalition for Public Education
The Jewish Council on Public Affairs
The National Association for the Advancement of Colored People (NAACP)
The National Council of Jewish Women
The National Education Association (NEA)
The National Parent Teacher Association (PTA)
Service Employees International Union, AFL–CIO (SEIU)
The Interfaith Alliance

Mr. KLECZKA. Mr. Speaker, the issue before the House of Representatives today is not whether faith is a positive force or whether churches and synagogues do good work. I think it's safe to assume we all agree that religious organizations play a significant role in providing needed social-welfare programs in every community across the United States.

Religious groups have been doing charity work for years, and they have been doing so without the necessity of the legislation before us today. What is of issue, however, is whether Congress should sanction government-funded discrimination and remove the wall between the church and state.

By permitting religious groups to discriminate in hiring on the basis of religion, the bill before us today violates the principle of equal protection and endorses taxpayer-funded discrimination. Under the bill, for instance, a religious group can refuse to hire a single mother, a woman using birth control for family planning, or even a person of a different race, if their ''status'' violates the doctrine of that religion. I can support religious institutions using their private funds to hire a rabbi or a priest to lead their congregations in worship, but I do not condone allowing religious groups to discriminate in hiring when receiving public funds. No American should have to pass a religious test to qualify for a federally-funded job.

Equally disturbing, this legislation does not provide adequate safeguards and essentially obliterates the wall separating church and state, a core principle of our nation for over 200 years. H.R. 7 introduces a new feature into our social-welfare system that allows federal agencies to convert more than $47 billion in federal funds into vouchers to religious organizations. These vouchers could be used for religious purposes, including the funding of sectarian worship, instruction, and proselytization.

As a strong supporter of faith-based organizations, I cannot support this flawed legislation. The Rangel/Conyers Substitute, which includes anti-discrimination protections and safeguards between church and state received my strong endorsement and vote. This Substitute removed from the base bill the provision that permits indirect aid that could be used for religious purposes and clearly stated that religious programs could not engage in sectarian worship, instruction, or proselytization at the same time and place as the government-funded program.

It is my hope the senate makes wiser choices during its consideration of this legislation, and the bill's shortcomings are addressed during conference committee. Hopefully, by that point, the measure will be corrected so that I may lend it my support.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to H.R. 7, the community Solutions Act, well-intentioned legislation that would undermine two of our nation's most fundamental constitutional principles—equal protection and the separation of church and state. Mr. Speaker, I agree that the federal government should encourage non-profits including religious organizations to help in meeting our nation's social welfare needs, but not at the expense of the constitutional principals that have served this nation so well.

H.R. 7 would broaden the use of federal funds made available to religious groups than is currently permitted and allow such groups to make their religious tenets central in the provision of those services. Specifically, the bill prohibits the federal government, or state and local governments using covered federal funds, from denying religious organizations in the awarding of grants on the basis of the organizations' religious character. The bill expands previously enacted ''charitable choice'' laws to include eight new programs that relate

to: juvenile justice, crime, housing, job training, domestic violence, hunger relief, senior services and education.

The bill also contains $13 billion in tax reductions over the next decade designed to encourage charitable giving. Given the new budgetary constraints after the passage of the President's $1.35 trillion tax cut package, the Ways and Means Committee approved just 15% of charitable giving tax incentives provided under the President's plan. H.R. 7 would permit taxpayers who do not itemize their taxes to deduct up to $25 in charitable contributions a year, rising to $100 in 2010. Under this bill, non-itemizers in the 15 percent tax bracket would get anemic tax benefit of $3.75 a year if they contributed the maximum, rising to $15 a year. I would also note that the bill does not provide one additional dollar in federal funding for charitable-choice programs. In fact, the President's budget, in fact, slashes funding for some of the very programs promoted in the bill.

Mr. Speaker, I supported the ''charitable choice'' provisions of the 1996 Welfare Reform Act which allowed religious organizations to qualify for federal funds for social service programs, without being forced to eliminate or soften their religious content. Such previously-enacted charitable choice laws strictly prohibited these faith-based social-service providers from proselytizing in their federally-funded programs. Today, we have before us legislation to give effect to the President's ''faith-based initiative'' by allowing religious organizations to proselytize or undertake other religious activity with federal funds when such activities are funded indirectly through vouchers.

This approach, while well-meaning, runs afoul of the First Amendment requirement of separation of church and state and would open the door to employment discrimination in federally-funded programs. Under H.R. 7, groups would be permitted to make hiring decisions based on religion, without regard to state or local laws on the subject. Under the bill, for instance, an organization could discriminate against someone involved in an interracial relationship or second marriage, if that status violated the doctrine of the religion. I can see no legitimate justification for permitting providers of government-funded secular services to discriminate in this manner. The content of a person's heart and a desire to serve the community should be the only requisites for undertaking good works. Taxpayers should not be required to support discrimination.

The fact that some of the most vocal opponents of this bill are members of the clergy must not be overlooked. The bill does not provide adequate safeguards regarding the separation of church and state and may pave the way for excessive entanglement between government and religion. Churches and religious organizations that embrace this program should consider that with taxpayer dollars comes a fiduciary responsible in the form of oversight and what can be deemed intrusions into the affairs of such churches and other faith-based groups. Just this week, I heard from a constituent, a political science professor from Rice University who is active in his church, who urged me to vote against H.R. 7 and said it would ''strike a blow to religious autonomy in America, allowing government auditors and other bureaucrats into the inner sanctum of religious organizations—including, ironically, many of the churches who favor the bill.'' I couldn't have said it better myself.

Mr. Speaker, I also oppose the substitute, offered by Reps. RANGEL and CONYERS, because I believe that the passage of new legislation is not necessary. For decades, government-funded partnerships with religiously-affiliated organizations such as Catholic Charities, Jewish Community Federations, and Lutheran Social Services have helped to combat poverty and have provided housing, education, and health care services for those in need. These successful partnerships have provided excellent service to communities largely unburdened by concerns over bureaucratic entanglements between government and religion. In fact, many smaller churches in my district provide a multitude of social services to the community with federal grant money and tax deductible contributions. The existing prohibition on proselytizing has not curtailed their desire to serve and fulfill their missions.

Under the present system, any church or religious institution can establish a 501(C)(3) and apply for federal funds. Under § 501(c)(3) of the Internal Revenue Code, ''charitable organizations'' set up by organizations such as the Red Cross, Catholic Charities USA or small churches and religious organizations greatly benefit from the ability to receive tax-deductible charitable contributions and are generally exempted from being taxed. Today, religiously-affiliated private entities receive hundreds of millions of dollars for their social service works. Mr. Speaker, we must all remember that religious institutions are out there, every day, making a difference in the lives of their communities and, with or without passage of this measure, will continue to contribute to the social fabric of this nation.

Mr. Speaker, while I strongly believe that religious organizations play an important role in providing needed social-welfare programs, I cannot sanction this bill which would put the federal government in the position of funding discrimination picking and choosing among the right religions and breaking down the separation of church and state.

Mr. STARK. Mr. Speaker, I rise today in opposition of H.R. 7, the Community Solutions Act. With 12 million children living in poverty, it is clear that Congress needs to do more to lift them out of their desperate situation. However, H.R. 7 does nothing to achieve this goal. It provides only a minimal tax deduction to encourage people to contribute to charitable organizations that provide social services to the poor. The bill does not provide any new government funding for faith-based organizations to carry out their missions to provide social services and reduce poverty.

If the Republicans truly cared about lifting children and families out of poverty, their budget would reflect significant increases in funding for social service programs. Instead, the Bush budget increases spending for the Administration for Children and Families by only 2.9%—far less than even inflation.

This bill is purported to be necessary to allow religious organizations to receive federal funds to provide services for those in need. In fact, many religious organizations qualify for such funds today. The only requirement is that they separate their duties as religious entities from their social service programs. For example, Catholic Charities received $1.4 billion in 1999 in government funding—totaling two-thirds of their annual budget.

Let's be real. This bill has nothing to do with increasing social services funding.

The most significant achievement of H.R. 7 is to allow federally funded faith-based organizations to circumvent state and local anti-discrimination laws.

Last week, the Bush administration announced that they would not pursue an administrative rule that would allow faith-based organizations to pre-exempt state laws prohibiting discrimination based on sexual orientation. Although some may believe that action resolved the issue, it did not. H.R. 7 explicitly allows faith-based organizations to pre-empt state law and state law and discriminate in their hiring practices.

This provision is worse than the Administration's proposed regulation because it allows faith-based organizations to not only discriminate against someone based on their sexual orientation, but for many other reasons such as being unmarried or pregnant to name a couple. However, this is only the tip of the iceberg.

Religious organizations have an exemption under the Civil rights Act that allows them to discriminate in the hiring of individuals that perform their religious work. However, that exemption does not currently allow them to discriminate in the hiring of individuals that carry out their federally funded social service programs. H.R. 7 extends the Civil Rights exemption to allow faith-based organizations to discriminate in the hiring of individuals that deliver their federally funded social service programs.

Again, the only real change in this bill from current law is to allow faith-based organizations to discriminate and to proselytize while receiving government funds. This bill is strong on promoting discrimination and weak on lifting families out of poverty.

By passing H.R. 7, the United States House of Representatives is sending the message that Congress endorses government-sponsored discrimination. I believe that this message desecrates the memory of the men, women and children who lost and risked their lives to bring equal rights to all who live in this country. Instead of undermining the memory of these courageous civil rights advocates, Congress should be using their effort as a source of inspiration to continue and move forward the battle to ensure that all who live in this nation obtain true equal rights.

It is time that our nations' leaders stood together to protect the advancements made in civil rights and create a nation that cherishes tolerance for all groups. To truly help the poor, Congress should ensure that they have access to health care, child care and other social services. None of these measures require undermining this nation's civil rights laws.

Finally, I hope this bill is no indication that Bush Administration wants to dismantle our existing social safety net and turn it over to religious organizations and other private charities. A recent Ewing Marion Kauffman Foundation study indicates that charities—even with the benefits of the tax cuts in this bill—would not be able to replace the federal government's commitment to providing social services. According to their study, adding up the current assets of all the foundations in America would only replace federal government funding for social services for 74 days. The Bush Administration may want to shift responsibility to religious organizations and private charities, but they can't do the job alone.

Moreover, if Congress decides to allocate more government funds to increase faith-based organizations role in providing social services, we should make sure that we are getting our taxpayers' money worth. At a recent Brookings Institute conference recently on child care, Mary Bogle, a child care expert, cited several studies that reported that child care provided by churches was among the lowest quality in the country. These child care centers had higher staff-to-child ratios, lower levels of trained and educated teachers and less educated administrators than other non profit child care centers.

I for one do not want to be telling my constituents several years down the road that Congress spent money on social services based on whether they are religious rather than on their ability to provide quality services.

Please join me in opposing H.R. 7 and lets work together to seriously tackle the problem of poverty without legalizing government-sponsored discrimination.

Mr. BLUMENAUER. Mr. Speaker, I rise to oppose H.R. 7, the Charitable Choice Act of 2001. I support the work that many religious charities do on behalf of those in the need in my community and across the nations. Currently, any church or religious organization can establish a charity and apply for federal funds. This legislation provides no additional money for those organizations. It simply would allow religious organizations that wish to discriminate to apply or federal funds. It would allow the rollback of many of the basic civil rights protections for all Americans currently enjoy. Allowing religious organization to discriminate in hiring on the basis of religion, sexual preference, and race is wrong.

Short-circuiting the current system also opens the door to federal interference in religious activities, which has prompted the opposition of many religious organizations and leaders. The litany of groups opposing this bill is long and contains the names of some of the most distinguished charitable and religious groups in the country.

Another unfortunate aspect is the failure to meaningfully assist the charitable contributions of low income Americans unable to itemize on income tax returns. As a result of other tax relief for people who need help the least, we are unable to assist those who are unduly penalized.

Given the flaws in this legislation, I oppose it, and urge my colleagues to do likewise.

Mr. WEXLER. Mr. Speaker, I rise today in opposition to the Community Solutions Act of 2001.

In a 1780 letter, Benjamin Franklin wrote, ''When religion is good, I conceive that it will support itself; and, when it cannot support itself, and G-d does not take care to support, so that its professors are obliged to call for the help of the civil power, it is a sign, I apprehend, of its being a bad one.''

Forty-three years later, James Madison wrote in a letter, ''Religion is essentially distinct from civil government and exempt from its cognizance . . . a connection between them is injurious to both.''

Franklin and Madison's observations are still poignant, and relevant to today's debate on President Bush's social services plan. I join with many Americans who have great concerns about the provisions of his plan which punch holes in the firewall between places of worship and the government.

A number of religious organizations already run very valuable social service programs, and Americans appreciate the significant contributions that these religious groups make to the well being of our communities. However, this proposed faith-based legislation unnecessarily entwines church and state in a financial relationship under the mantra of improving social services.

The Founding Fathers understood that both church and state play important roles in the lives of Americans, but neither may function appropriately under our Constitution if they are heavily intertwined. The separation of church and state actually protects each from the other. Many Americans express concern over the potential for a disproportionate level of influence of religious doctrine upon the making of public policy. However, places of worship should also be concerned about interference from government. It would be a travesty if a financial relationship between the two became so significant that religious decisions are affected by concerns over public funding.

Let us be straight-forward about the crux of this debate: The question is not whether churches, synagogues or mosques should provide social services. Of course they should. The question is whether religious organizations should abide by federal civil rights laws if they take federal money. The answer again is of course they should.

Proponents of the President's plan call for the removal of ''barriers'' which religious charities face when attempting to secure public funding for their social service programs. These so-called ''barriers'' are America's civil rights laws, and we must not compromise them. If a privately-funded place of worship directs its employees to follow its religious dictates, then it is within its rights to do so. However, if it uses public funds, then it should not be allowed to discriminate against anyone.

While we should always look for better ways to provide social services, I do not believe that the separation between church and state need to be dismantled to do so. I ask that you vote against the bill.

Ms. MCCOLLUM. Mr. Speaker, today I will vote against H.R. 7, the Community Solutions Act, because I strongly support the constitutional separation of church and state, and I believe this bill infringes on that separation. The bill would threaten religious autonomy, as religious organizations would be subject to government regulations in exchange for federal funds. The truth is that the federal government can already fund faith-based charities if they meet the following three conditions: they establish a 501(c)(3) tax-exempt charitable organization, they agree not to proselytize using tax dollars, and they cannot discriminate in job hiring. H.R. 7 would remove these important protections. I also believe this bill allows federal intrusion on state and local jurisdiction, as faith-based groups would not have to adhere to Minnesota's comprehensive state and local nondiscrimination laws.

I recognize the very important contributions of faith-based organizations to our communities and families. Some successful faith-based organizations in Minnesota such as Church Charities, Lutheran Social Services, and Jewish Family and Children's Services have developed a reputation for providing quality services without religious discrimination. These organizations certainly complement many governmental social services and I would not want to see their roles diminished in the lives of so many Minnesotans. This bill has the potential to interfere in the historic working relationships between faith-based organizations, the government, and the people they so generously serve.

Mrs. CHRISTENSEN. Mr. Speaker, I must join my colleagues who have spoken in opposition to H.R. 7.

Never can I or will I ever support a piece of legislation which would allow and therefore support discrimination in any way shape or form.

I am proud to be a member of the Congressional Black Caucus which does not oppose, but strongly supports, making funding available to support our religious organization's work in the world, but voted unanimously to oppose the egregious parts of the bill which allow the provisions of the hard fought for civil rights laws to be sidestepped.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because H.R. 7 falsely advertises the initiative as new, and also as funded, and it most agregiously, allows discrimination.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing.

In addition to these concerns, I am also very troubled by the fact that H.R. 7 contains a provision that allows any federal agency to convert their entire services programs into a voucher in order to circumvent protections against discrimination that are provided for under federal law.

This most uncharitable bill goes beyond the question of violating the principle of separation of Church and State, first by allowing discrimination and then by purporting to provide funds for religious and other organizations when it doesn't actually provide any new dollars in the bill at all. Neither should they now, that the lack of funding is uncovered, be allowed to raid the Medicare Trust Fund.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because of the aforementioned aspects of H.R. 7 to which I have objected.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups in my and other communities do. Federal support of Faith based organizations is not new. In my district, groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing a tremendous job serving the needy in Virgin Islanders for many years now and will continue to do so with or without this bill.

Where there efforts are hampered is through the recent tax cut which will drastically cut funding from the programs that help those in our communities who need an extra hand up—in education, in health care services, in housing, in economic opportunity, and in programs that would promote an improved quality of life.

And it just astounds me that while the Administration is pushing this initiative ''as'' one

of its highest priorities, in the case of the CBC Minority AIDS Initiative, the Department has decided that Faith Based Organizations can no longer be targeted for funding.

I support the Democratic Substitute and urge my colleagues to do the same. This better bill would prohibit employment discrimination and the setting aside of state and local civil right laws and delete the sweeping new language in the bill which would permit federal agencies to convert more than $47 billion in current government programs into private vouchers.

Mr. GILMAN. Mr. Speaker, faith-based organizations play a vital role in our communities and work tirelessly towards effectively meeting the needs of our communities. These organizations cover all religions and range from family counseling, to community development, to homeless and battered woman's shelters, to drug-treatment and rehabilitation programs and to saving our ''at-risk'' children. In many cases, they are the only organizations that have taken the initiative to provide a much needed community service.

In principle, I support what H.R. 7, the Community Solutions Act seeks to accomplish. However, during exhaustive conversations with my constituents, and a variety of organizations, we must address the following issues before the bill is viable and fair:

H.R. 7 gives the executive branch broad discretion to fundamentally change the structure of a plethora of federal social service programs totaling some 47 billion dollars through the use of vouchers.This voucher program allows any Cabinet Secretary to convert any of the covered programs currently funded through grants or direct funding to a voucher program, without Congressional approval. The risk of these voucher programs is that once a program becomes a voucher program, the funds become indirect funds, which could require participants in voucher funded programs to engage in worship or to conform to the religious beliefs of the religious organizations providing the service.

H.R. 7, would permit a variety of organizations, including for-profit entities, to receive program vouchers. Our concern is that this could jeopardize the financial stability of nonprofit agencies by replacing the more reliable grant and contracts funding they currently receive with unpredictable voucher funding.

Mr. speaker, Charitable Choice fails to protect the beneficiaries of funded programs from proselytization, in that H.R. 7 fails to include meaningful safeguards for the beneficiaries while they are participants in publicly funded programs. H.R. 7, places the burden of objecting to the religious nature of the program up to the client, after he or she has sought assistance. Only after the injury suffered through unwanted proselyting, that the government is required to provide an alternative program. We should fund secular alternatives in advance, not when a lawsuit is brought challenging the religious nature of the program.

Mr. Speaker, H.R. 7, mandates that those faith based entities utilizing federal funds are to be held to the federal civil rights standard that allows religious organizations to discriminate against those on the basis of religion. In many cases state law provides additional civil rights protections regarding sexual orientation, physical and mental disabilities, genetics, and a host of other protections. To allow federal law to supersede state law on this important issue, not only creates the potential for constitutional states rights challenges, but does nothing to advance civil rights protections in our nation.

While no one can dispute the great work and the important services that faith-based organizations provide to our communities, the issues that I set forth and those raised by my colleagues must be addressed before this bill is fair, balanced and provides the necessary safeguards for all.

Accordingly, I look forward to working with our Conferees in the conference on this bill in order to more clearly address these issues.

Mr. PAUL. Mr. Speaker, no one familiar with the history of the past century can doubt that private charities, particularly those maintained by persons motivated by their faith to perform charitable acts, are more effective in addressing social needs than federal programs. Therefore, the sponsors of HR 7, the Community Solutions Act, are correct to believe that expanding the role of voluntary, religious-based organizations will benefit society. However, this noble goal will not be accomplished by providing federal taxpayer funds to these organizations. Instead, federal funding will transform these organizations into adjuncts of the federal government and reduce voluntary giving on the part of the people. In so doing, HR 7 will transform the majority of private charities into carbon copies of failed federal welfare programs.

Providing federal funds to religious organizations gives the organizations an incentive to make obedience to federal bureaucrats their number-one priority. Religious entities may even change the religious character of their programs in order to please their new federal paymaster. Faith-based organizations may find federal funding diminishes their private support as people who currently voluntarily support religious organizations assume they ''gave at the (tax) office'' and will thus reduce their levels of private giving. Thus, religious organizations will become increasingly dependent on federal funds for support. Since ''he who pays the piper calls the tune'' federal bureaucrats and Congress will then control the content of ''faith-based'' programs.

Those who dismiss these concerns should consider that HR 7 explicitly forbids proselytizing in ''faith-based' programs receiving funds directly from the federal government. Religious organizations will not have to remove religious income from their premises in order to receive federal funds. However, I fail to see the point in allowing a Catholic soup kitchen to hang a crucifix on its wall or a Jewish day care center to hang a Star of David on its door if federal law forbids believers from explaining the meaning of those symbols to persons receiving assistance. Furthermore, proselytizing is what is at the very heart of the effectiveness of many of these programs!

H.R. 7 also imposes new paperwork and audit requirements on religious organizations, thus diverting resources away from fulfilling the charitable mission. Supporters of HR 7 point out that any organization that finds the conditions imposed by the federal government too onerous does not have to accept federal grants. It is true no charity has to accept federal grants. It is true no charity has to accept federal funds, but a significant number will accept federal funds in exchange for federal restrictions on their programs, especially since the restrictions will appear ''reasonable'' during the program's first few years. Of course, history shows that Congress and the federal bureaucracy cannot resist imposing new mandates on recipients of federal money. For example, since the passage of the Higher Education Act the federal government has gradually assumed control over almost every aspect of campus life.

Just as bad money drives out good, government-funded charities will overshadow government charities that remain independent of federal funding. After all, a federally-funded charity has the government's stamp of approval and also does not have to devote resources to appealing to the consciences of parishioners for donations. Instead, government-funded charities can rely on forced contributions from the taxpayers. Those who dismiss this as unlikely to occur should remember that there are only three institutions of higher education today that do not accept federal funds and thus do not have to obey federal regulations.

We have seen how federal funding corrupts charity in our time. Since the Great Society, many organizations which once were devoted to helping the poor have instead become lobbyists for ever-expanding government, since a bigger welfare state means more power for their organizations. Furthermore, many charitable organizations have devoted resources to partisan politics as part of coalitions dedicated to expanding federal control over the American people.

Federally-funded social welfare organizations are inevitably less effective than their counterparts because federal funding changes the incentives of participants in these organizations. Voluntary charities promote self-reliance, while government welfare programs foster dependency. In fact, it is in the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

Accepting federal funds will corrupt religious institutions in a fundamental manner. Religious institutions provide charity services because they are commanded to by their faith. However, when religious organizations accept federal funding promoting the faith may take a back seat to fulfilling the secular goals of politicians and bureaucrats.

Some supporters of this measure have attempted to invoke the legacy of the founding fathers in support of this legislation. Of course, the founders recognized the importance of religion in a free society, but not as an adjunct of the state. Instead, the founders hoped a religious people would resist any attempts by the state to encroach on the proper social authority of the church. The Founding Fathers would have been horrified by any proposal to put churches on the federal dole, as this threatens liberty by subordinating churches to the state.

Obviously, making religious institutions dependent on federal funds (and subject to federal regulations) violates the spirit, if not the letter, of the first amendment. Critics of this legislation are also correct to point out that this bill violates the first amendment by forcing taxpayers to subsidize religious organizations whose principles they do not believe. However, many of these critics are inconsistent in

that they support using the taxing power to force religious citizens to subsidize secular organizations.

The primary issue both sides of this debate are avoiding is the constitutionality of the welfare state. Nowhere in the Constitution is the federal government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. After all, the words of the famous essay by former Congressman Davy Crockett, that money is ''Not Yours to Give.''

Instead of expanding the unconstitutional welfare state, Congress should focus on returning control over welfare to the American people. As Marvin Olaksy, the ''godfather of compassionate conservatism,'' and others have amply documented, before they were crowded out by federal programs, private charities did an exemplary job at providing necessary assistance to those in need. These charities not only met the material needs of those in poverty but helped break many of the bad habits, such as alcoholism, taught them ''marketable'' skills or otherwise engaged them in productive activity, and helped them move up the economic ladder.

Therefore, it is clear that instead of expanding the unconstitutional welfare state, Congress should return control over charitable giving to the American people by reducing the tax burden. This is why I strongly support the tax cut provisions of H.R. 7, and would enthusiastically support them if they were brought before the House as a stand alone bill. I also proposed a substitute amendment which would have given every taxpayer in America a $5,000 tax credit for contributions to social services organizations which serve lower-income people. Allowing people to use more of their own money promotes effective charity by ensuring that charities remain true to their core mission. After all, individual donors will likely limit their support to those groups with a proven track record of helping the poor, whereas government agencies may support organizations more effective at complying with federal regulations or acquiring political influence than actually serving the needy.

Many prominent defenders of the free society and advocates of increasing the role of faith-based institutions in providing services to the needy have also expressed skepticism regarding giving federal money to religious organizations, including the Reverend Pat Robinson, the Reverend Jerry Falwell, Star Parker, Founder and President of the Coalition for Urban Renewal (CURE), Father Robert Sirico, President of the Action Institute for Religious Liberty, Michael Tanner, Director of Health and Welfare studies at the CATO Institute, and Lew Rockwell, founder and president of the Ludwig Von Misses Institute. Even Marvin Olaksy, the above-referenced ''godfather of compassionate conservatism,'' has expressed skepticism regarding this proposal.

In conclusion, Mr. Speaker, because H.R. 7 extends the reach of the immoral, unconstitutional welfare state and thus threatens the autonomy and the effectiveness of the very faith-based charities it claims to help, I urge my colleagues to reject it. Instead, I hope my colleagues will join me in supporting a constitutional and compassionate agenda of returning control over charity to the American people through large tax cuts and tax credits.

Ms. KILPATRICK. Mr. Speaker, today I rise in opposition to the underlying bill and in support of the Conyers Substitute. First, and foremost I must make known my profound belief in the healing ability of faith. The Church has always played an important role in my life and in many ways was a catalyst to my choice to pursue a political career. However, this is not a debate about government versus religion. Religious organizations play an important role in our society and no matter what we do on the floor today they will continue to do so. I assure you I will continue to support them.

ALREADY HAVE THE ABILITY TO COMPETE

There are many who have taken the floor and allege that Faith Based organizations are discriminated against when competing for federal funds. I question this statement. I have come to believe that under current law, Faith Based organizations can in fact compete if they take certain steps under the law. They must create a separate 501(C)(3) organization to prevent the mixing of church and secular activities. In my mind this insulates Faith Based organizations from the sometimes intrusive hand of the government.

DISCRIMINATION

Again I state my support for the healing role of faith based organizations. However, as an avid student of this country's history and, for that matter, the world's history, I cannot ignore some of the heinous things that have been done in the name of religion. In fact, current history is full of the horrors attendant to state sponsored religion. For decades, this country has struggled to bring peace to the hot box that is the Middle East, where religion is the sub-text used for the oppression of women, the oppression of other faiths and state sponsored terrorism. While I realize that this country has many protections against many of these horrors, and I do not mean to suggest that the enactment of this bill will rise to the level of these horrors, I do mean to suggest that more subtle forms of these problems such as discrimination will result from this measure.

This bill would allow Faith Based organizations to discriminate as to who they will hire. This is wrong. The faith of a helping hand is of no consequence to the person in need. All of humanity has the potential to accomplish charitable deeds and should not be told that there is no role for their charity because of the faith they hold dear. I will not stand idly by as the Civil Rights laws in place to prevent workplace discrimination are flouted in the name of religion

NO ADDITIONAL FUNDING FOR THE PROGRAM

Finally, this measure is indicative of the Republican efforts to dismantle social programs. I say this because they have not provided a red cent for the implementation of this initiative or the programs that it involves. This bill will expand the pool of competitors already competing for diminished funds due to a bloated tax-cut. For example the Bush budget cuts local crime prevention funds by $1 billion. The Bush budget also cuts the needs of public housing by $1 billion by cutting $309 million from Public Housing Drug Elimination Grants, and cutting the Public Housing Capital Fund by $700 million. Even Job Training is cut by $500 million under the Administration's budget.

Mr. CRANE. Mr. Speaker, I have long advocated making changes to the tax code designed to encourage charitable giving. Indeed, I have promoted some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for non-itemizers, for many years. Because the legislation we are considering, the Community Solutions Act, contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

However, while I believe this legislation is a step in the right direction, H.R. 7 is but a first step. Frankly, we need to do more, and in my remarks today I would like to highlight a number of items that I believe need to receive further consideration by the Ways and Means Committee and the Congress in the near future.

My first comments relate to the largest provision in this legislation in terms of revenue impact—the charitable deduction for non-itemizers. I do not believe there is a member in Congress who has fought longer or harder for restoring the charitable deduction for non-itemizers than I. The non-itemizer charitable deduction actually existed in the tax code from 1981–1986. It was created in the 1981 Reagan tax bill, but the language in the 1981 bill sunset the provision after 1986. In January 1985, at the start of the 99th Congress, I introduced legislation, H.R. 94, to make the non-itemizer deduction permanent. The year after the provision expired in 1986, I introduced legislation, H.R. 113, to restore the deduction. In every Congress since that time up to the present, I have introduced legislation to restore this deduction. For the record, I would like to insert the following table identifying the Congress, date and bill number of the legislation that I have introduced on this subject: 99th Congress—1/3/85—H.R. 94; 100th Congress—1/6/87—H.R. 113; 101st Congress—1/4/89—H.R. 459; 102nd Congress—1/3/91—H.R. 310; 103rd Congress—1/5/93—H.R. 152; 104th Congress—4/7/95—H.R. 1493; 105th Congress—9/18/97—H.R. 2499; 106th Congress—3/25/99—H.R. 1310; and 107th Congress—2/28/01—H.R. 777.

While I am gratified that Congressman WATTS included that the non-itemizer deduction in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. Indeed, I am concerned that the deduction limits have been set so low as to have a very minimal impact toward the goal of increasing charitable giving. Frankly, the deduction allowance ought to be set substantially higher. I applaud President Bush for his proposal to allow the deduction up to the amount of the standard deduction. However, despite my concerns with the limitations contained in H.R. 7, I still believe that this provision represents a positive first step—a step on which the Ways and Means Committee can build a more substantial deduction. Moreover, I hope that the other body takes up similar legislation this year and that it considered the concerns I am raising today.

With regard to those individuals who do itemize their deductions, I want to mention two proposals that were not contained in H.R. 7 but hopefully will be considered at a later date. The first of these proposals relates to Section 170 of the tax code. Under current law, individuals who contribute appreciated property (such as stocks and real estate) to charity are

subject to complex deduction limits. While donors can generally deduct charitable contributions up to 50 percent of their income, deductions for gifts of appreciated property are limited to 30 percent of income. For gifts of appreciated property to charities that are private foundations, deductions are limited to 20 percent of income. In my view, these limits under present law discourage charitable giving from the very people who are in the best position to make large gifts. Someone who has done well in the stock market should be encouraged to share the benefits. In order to fix this problem we should consider allowing contributions of appreciated property to be deductible within the same percentage limits as for other charitable gifts.

The proposal I have in mind would increase the percentage limitation applicable to charitable contributions of capital gain property to public charities by individuals from 30 percent to 50 percent of income. thus, both cash and non-cash contributions to such entities would be subject to a 50 percent deductibility limit. In addition, I would propose increasing the percentage limitation for contributions of capital gain property to private foundations from 20 percent to 30 percent of income. While these proposals were not included in H.R. 7, I want to thank Ways and Means Chairman THOMAS for publicly acknowledging that these issues are worthy of consideration. As a follow-up to his comments in the Ways and Means Committee, Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe needs to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the ''Pease'' limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. FORBES. Mr. Speaker, I rise in strong support of the Community Solutions Act, which will provide more opportunities for the strong wills and good hearts of Americans everywhere to rally to the aid of their neighbors.

All across America, there are people in need of a helping hand. Some of them are just a little down on their luck and need temporary shelter or a hot meal or the comfort of a confidant. Others are in more dire straits. The government can provide some assistance to these individuals and families, but it cannot do it all. And, frankly, it should not. In every pocket of America, there are groups and individuals—some of faith and some not—who are rallying to the aid of their neighbors. We in Washington should be in the business of encouraging this kind of community involvement and outreach.

In fact, the public places far more trust in faith-based institutions and community organizations than in government to solve the social woes of our nation. Earlier this year, the Pew Partnership for Civic Change asked Americans to rank 15 organizations, including governments, businesses, and community groups, for their role in solving social problems in our communities. More than half named local churches, synagogues, and religious institutions; nonprofit groups, like the Salvation Army and Habitat for Humanity; and friends and neighbors—putting them at the top of the list behind only the local police. In contrast, the federal government was ranked 14th out of 15, with only about 1 in 4 respondents naming it as a social problem-solver.

The bipartisan Community Solutions Act builds on the faith-based initiative proposed earlier this year by the President to answer this call. But, to call it a faith-based initiative is really a misnomer. While faith-based groups clearly have a role to play in this plan, it is really all about neighbors helping neighbors.

Mr. Speaker, the bill will increase charitable giving by allowing non-itemizers to deduct their charitable contributions. It will also expand individual development accounts to encourage low-income families to save money for home ownership, college education, or other needs. And, the Community Solutions Act will expand charitable choice provisions already in law to give faith-based groups a greater opportunity to provide assistance to those in need through programs that Congress has created.

This bill embodies many good ideas, and it is long past the time when we should be returning these principles to our civil society. I thank the President for making this a priority for his Administration, and thank Congressmen WATTS and HALL introducing it in the House.

It is time for Congress to step aside and let the armies of compassion do what they do best—help neighbors in need. I urge my colleagues to support this bill and to oppose the substitute and the motion to recommit.

Ms. MILLENDER-MCDONALD. Mr. Speaker, currently, under Title VII, religious organizations can discriminate in hiring practices. If the Charitable Choice Act (H.R. 7) is enacted, this discriminatory practice will extend to programs on the Federal level. It is alarming that the Charitable Choice Act (H.R. 7) would pre-empt state and local anti-discrimination laws. This bill would open women to all kinds of employment discrimination that is currently prohibited by Federal law.

Under H.R. 7, religious employers would be allowed to include questions in hiring interviews on marital status and childcare provisions. Women would also be subject to discrimination in the delivery of services. For example, this bill offers no protection for the unwed mother being denied benefits because of the tenets of the religious organization responsible for delivering services. Women's basic employment and civil rights should be a fundamental guarantee and not conditioned on whether or not the entity hiring or providing services has been offered special protections under the law.

Currently, under Title VII, there are cases where women lost their job because they became pregnant but wasn't married and due to their views on abortion. If the Charitable Choice Act is passed, then this can include many more forms of discrimination.

This is no ordinary piece of legislation. It raises serious questions about church-state relations in this country. These are grave issues. Congress needs to proceed with caution.

Mr. HALL of Texas. Mr. Speaker, as a longtime supporter of local solutions for local problems, I want to thank my colleagues, Representative J.C. WATTS and Representative TONY HALL, for their work to bring H.R. 7, the Community Solutions Act, to the Floor. I am pleased to be a cosponsor of this initiative, which recognizes the important role that faith-based groups are performing in every community in America. I commend President Bush for making this a priority of his Administration.

Government has long provided public funding for social service programs through its ''charitable choice'' provisions. This Act builds on this success by expanding the services that may be provided by faith-based groups. Most of us would agree that local citizens have a far better understanding of local problems and have better solutions for those problems than some ''one-size-fits-all'' Federal program. We've spent billions of dollars fighting the war against drugs, for example—and are still losing it because we are fighting it form the top.

The bill's sponsors have worked to address the constitutional concerns that have been raised, and they have provided some important safeguards. As this bill moves forward, we need to continue our efforts to fully examine the implications of this Act as it affects State laws.

The Community Solutions Act holds great promise in our efforts to combat drugs, juvenile delinquency, teenage pregnancy, hunger, school violence, illiteracy and other ills. It recognizes that faith-based organizations often are succeeding where government-run programs are failing. It makes sense to include these worthy programs in our efforts to serve those in need in our communities.

I urge my colleagues to recognize the contributions and potential of faith-based organizations to improve the quality of life for our citizens by voting for H.R. 7 and giving this initiative a chance to work.

Mr. BROWN of South Carolina. Mr. Speaker, I rise today in strong support of President Bush's faith-based initiative, as reflected in H.R. 7. Both the Judiciary Committee and the Ways and Means Committee has worked hard to craft legislation we should all be able to support.

I would like to take a minute, though, to concentrate on the charitable choice provision of this bill, because the tax provisions should not keep anyone from voting for H.R. 7. According to Chairman NUSSLE of the House Budget Committee, the $13.3 billion in estimated revenue reduction does not threaten the Medicare trust fund. No, if this bill fails, the failure will be due to the charitable choice provision.

Many have expressed concerns about ''separation of church and state'' and about ''government funded discrimination'' in conjunction with President Bush's faith-based initiative. However, when the Welfare Reform Act was passed in 1996, the charitable choice provision allowed faith-based groups to apply for federal money the same way that secular groups do. The charitable choice provision is also included in the 1998 Community Services Block Grant Act and in the 2000 Public Health Service Act. The charitable choice provision has a history of success.

Rather than promoting a radical restructuring of current law, H.R. 7 will simply ensure

that faith-based organizations can compete on more equal footing than in the past. The government will not be encouraging any kind of discrimination but, instead, will be able to partner with faith-based organizations in a wider variety of social services, including juvenile justice, crime prevention, housing assistance, job training, elder care, hunger relief, domestic violence prevention, and others.

In summary, we should all support H.R. 7 because it provides a proven method for the federal government to participate in the provision of social services to Americans who still need help. This bill allows the federal government to partner with faith-based and other community service organizations that already have a history of success in providing these social services. H.R. 7 puts faith-based organizations on a level playing field in the competition for federal funds, without jeopardizing their autonomy, and without undermining religious freedom for either the service providers or for the service beneficiaries. I urge all of my colleagues to vote for H.R. 7.

Mr. HYDE. Mr. Speaker, I have been listening to this debate with great attention all afternoon, and—at the risk of oversimplifying, I would like to cut to the chase. What we are talking about is an army of people out there motivated by spiritual impulses who want to do good, who want to help solve poverty, disease, violence in the community, homelessness, hunger, and some of them are clergy, some of them are not. They are religiously motivated, and we have spent all afternoon finding ways to keep them out. We have enough help. We don't need them—there is too much God out there. We suffer from an excess of God, for some crazy reason.

Discrimination—if the First Baptist Church wants to do something as the First Baptist Church, take care of some homeless people, that fact that they want to retain their identify and not become another local United Fund operation, there is nothing wrong with that. There is nothing wrong with saying if you want to join us, you have to be Baptist.

There is discrimination, and there is invidious discrimination. I do not think it is discrimination for Baptists to want to hire Baptists to do something as the Baptist Church. I think that is fine. That is not invidious discrimination. So far as I am concerned, we ought to figure out ways to facilitate the exploitation, the benign exploitation of these wonderful people who want to help us with our very human problems, instead of finding ways to say on because, for fear, God might sneak in under the door.

Mr. KIND. Mr. Speaker, as with many of the colleagues from both sides of the aisle, I strongly support the community services provided by religious organizations throughout the Nation. We are all proud of the faith we hold and believe in the principles of selfless service encouraged by religious organizations. As I have personally witnessed in western Wisconsin, the effective and invaluable efforts put forth by religious organizations to combat such traumas as drug-addiction, and child and domestic abuse, are worthy of our continual appreciation and praise.

I am, however, concerned that this legislation would undermine the successes and integrity of such programs through the introduction of more government. I am therefore unable to support this flawed legislation which, while it may be well intentioned, seeks to provide funds to religious organizations by violating our constitution and without regard to State's rights.

The establishment of religion clause in the first amendment to the constitution was drafted in the recognition that state activity must be separate from church activity if people are to be free from Government interference. The Founders did not intend this provision as anti-religious, but instead realized this is the way to protect religion while simultaneously protecting the people's rights to worship freely.

America was founded by people seeking freedom from religious persecution by fleeing lands that contained religious strife and even warfare. To infringe on the separation of church and state is to infringe on the miracle and fundamental principles of American democracy. It is this principle that not only allows our government to operate by the will of the people, but also allows religious entities to conduct themselves without Government regulation and intrusion. When the line between church and state is an issue in policy, the highest scrutiny must be applied to ensure that principle prevails. I do not believe this legislation would pass such constitutional scrutiny.

The Founders also recognized the dangers of State sponsored favoritism toward any religion. This bill will not only pit secular agencies against religious organizations, it will pit religion against religion for the competition of limited public funds.

Under current law, there are Federal tax incentives for individuals to donate to charitable organizations, including the religious organizations of their choice. In addition, religious groups have always had the ability to apply and receive federal funding for the purpose of providing welfare related programs and services after they form 501(c)(3) organizations. Entities including Catholic Charities and Lutheran Social Service have a long history of participation in publicly funded social service programs.

The conditions associated with the provision of these services, however, require the religious organizations to be secular in nature—in accordance with the establishment of religion clause in the first amendment to the Constitution, as well as adhere to federal, state or local civil rights laws. H.R. 7 would remove these preconditions, allowing for public funding to go toward discriminatory and exclusionary practices that violate the intentions of hard fought civil rights.

In addition to the constitutionality of the legislation, we must also question how the provisions contained in the bill would be implemented and enforced. Supporters of H.R. 7 claim the bill contains safeguards that would prohibit public funding from going to proselytization and other strictly religious activities. Even if these safeguards existed, which they do not, how do we police these organizations to ensure compliance? If we find violations do we then fine the churches or prosecute Catholic priests, Methodist ministers or Lutheran pastors?

The road we are taking with this legislation leads to these serious questions about regulations imposed on organizations that receive Federal funds. The strings attached to entities receiving federal funds are there to ensure applicable laws are obeyed and accountability exists. It is precisely these types of provisions that will inhibit religious organizations from maintaining their character, and it would be negligent of us as public servants to waive these provisions. This situation serves to illustrate why this bill should be opposed.

The substitute to this bill, offered by Mr. RANGEL, guards against the possibility of publicly funded discrimination by not overriding State and local civil rights laws, as well as offsetting the costs associated with this legislation. In addition to being unconditional, H.R. 7 is indeed expensive. While it is not as expensive as the President had originally envisioned, it will cost over $13 billion with no offsets. With passage of the President's tax cut, there is simply no money to pay for this bill without taking from the Medicare and Social Security Trust funds. A problem that will not go away as we mark up the rest of next year's budget.

With all the problems associated with this bill, I ask my colleagues to vote against H.R. 7, and support the Rangel substitute.

Mr. GREEN of Texas. Mr. Speaker, I rise in opposition to H.R. 7, the Community Solutions Act. While the goals of this bill are noble, there are fundamental concerns with this legislation.

One of the central tenets of most faith based organizations, whether they are Catholic, Protestant, Jewish or Muslim, is to reach out to those in need.

I know that in churches in which I've been a member and churches in my district have several programs to serve the needy, such as food drives, senior nutrition programs, housing assistance, substance abuse counseling, after school programs and many other needed community services.

Therse are services that most churches perform because they are consistent with that church's mission.

A component of H.R. 7, the Community Solutions Act would expand Charitable Choice to allow faith based organizations to compete for federal funding for many of these services. The religious groups today compete and receive federal funding.

But they cannot only serve their particular faith or beliefs.

In fact, there are organizations such as the Baptist Joint Committee, the United Methodist Church, the Presbyterian Church, and the United Jewish Communities Federation all fear that this legislation would interfere with their missions, rather than help them.

We know that the first amendment prevents Congress from establishing a religion or prohibiting the free exercise thereof. This wall of separation has been a fundamental principle since the founding of our great nation.

As a Christian I believe it is my duty to serve and my service is a reflection of my faith. Many Christians, Jewish and Muslims, do this everyday if we are practicing our beliefs.

We do not need Federal tax dollars to practice and live our faith.

Mr. CUMMINGS. Mr. Speaker, I stand with you today to raise my grave concerns regarding H.R. 7.

Faith-based and community-based organizations have always been at the forefront of combating the hardships facing families and communities. As a federal legislator, I do not have a problem with government finding ways to harness the power of faith-based organizations and their vital services.

Although I support faith-based entities, I cannot endorse H.R. 7 because I believe that:

(1) taxpayer money should not be used to proselytize; (2) taxpayer money should not be used to discriminate on the basis of race, gender, religion, or sexual orientation; and (3) the independence and autonomy of our religious institutions should not be threatened.

Unfortunately, H.R. 7 in its current form does not prevent the problems I have outlined. Most significantly, while it may state that government funds should not be used for worship or proselytization, meaningful safeguards to prevent such action are not included in the provisions. Further, religious institutions are currently exempted from the ban on religious discrimination in employment provided under Title VII of the Civil Rights Act of 1964. As such, because the bill does not include a repeal of this exemption, these institutions can engage in government-funded employment discrimination.

I am committed to our U.S. Constitution and civil rights statutes. Unfortunately, H.R. 7 threatens these very principles and I believe it is unnecessary and unconstitutional. It is important to note that under current law, religious entities can seek government funding by establishing 501(c)(3) affiliate organizations.

I look forward to working with faith-based entities in their good works, but will also remain a strong advocate of civil rights, religious tolerance and the independence of our religious institutions. Join me in opposing H.R. 7 and supporting the Democratic substitute that will address these serious issues.

Mr. DEMINT. Mr. Speaker, I rise today in strong support of H.R. 7, the Community Solutions Act, which is also known as the Faith-Based Initiative.

America has long been a country made up of generous people who want to help a neighbor in need. Long before government programs came along to act as an extra safety net, individuals worked together with their churches and other community groups to ensure those in need were housed, clothed, and fed.

While government programs were created to provide specific services to needy populations, these programs have less incentive to go above and beyond the call of duty.

For many people of faith who run social service programs, their faith is what inspires them to go the extra mile for the poor, the downtrodden, the hopeless.

Why, then, would the government exclude faith-based providers in its attempt to tackle difficult social problems such as drug addiction, gang violence, domestic violence, mental illness, and homelessness?

Faith-based organizations with effective programs to combat societal ills should be able to compete equally with their non-faith based counterparts for government grants.

And in some cases under current ''charitable choice'' laws, they can. When Welfare Reform passed in 1996, charitable choice language was included so faith-based groups providing welfare-to-work programs such as job training and child care can compete equally.

I'm sure most of us know a church day care program which could care for children with just as much love and ability and professionalism as a non-faith based program.

The legislation before us today allows ''charitable choice'' to apply to more government programs, such as juvenile delinquency, housing, domestic violence, job training, and community development programs.

Let me make one thing clear: no faith-based group is compelled to apply. Those who are not interested in government funding can carry on with their ministry and keep doing the good work of serving our nation.

Those groups which have an effective program and would like to compete for a grant may do so and keep their faith-based component largely intact. They would have to abide by some common sense requirements such as keeping the government funds in a separate account, but the requirements should not interfere with the religious nature of their program.

The religious organization sponsoring the program would remain completely autonomous from federal, state, and local government control.

The Faith-Based Initiative is a long-overdue, much-needed reform to recognize the importance of the faith community in caring for the most vulnerable of our nation.

I want to take a minute to highlight a couple of wonderful community initiatives in my District which are inspirational to me. The Downtown Rescue Mission in Spartanburg has a myriad of exciting initiatives to provide housing, meals, health services, job training, and other help to give a helping hand up and empower folks in the downtown area.

And in Greenville, since 1937—during the Great Depression—Miracle Hill Ministries has provided leadership in our community by providing food, clothing, shelter, and compassion to hurting and needy people, as well as serving as a model for other homeless outreach efforts in South Carolina.

I am proud of these folks and the good work that they do and hope that the Faith-Based Initiative would be helpful to them. There are countless other good people and good organizations—big and small—which could benefit from this attempt to provide a level playing field for the faith community.

This bill also contains some great provisions to encourage charitable giving by individuals and corporations, as well as incentives for low-income individuals to save money that can be used to buy a home, a college education, or start a small business.

We want everyone in America to be able to live the American Dream.

The armies of compassion in our nation should be able to serve the needy and provide them hope, so that they too—through hard work and perseverance—can make the American Dream a reality.

Mr. GARY MILLER OF California. Mr. Speaker, I rise in support of H.R. 7 the ''Community Solutions Act.''

Although a lot of speakers have focused their remarks on the charitable choice provisions of this bill, I feel that Title III, the Individual Development Account or IDAs offers a fundamental policy shift which merits the attention of this House.

Many communities are facing an affordable housing crisis. Until now, our solution to this problem has been to increase the number of available Section 8 vouchers. However, this ''solution'' has only widened the gap between those who dream of owning a home, and those who are able to accumulate the financial resources needed to become a first-time home buyer. Under the Section 8 voucher program, if you demonstrate ambition and work hard to improve your situation, you are no longer eligible for the voucher. But at the same time, you do not have the down payment to own a home.

IDAs will begin to reverse this trend. By encouraging individuals to save for a home through tax exemption IDAs and matching that investment, we finally have policy which makes sense.

I urge my colleagues to support this bill and to turn the American dream of owning a home into a reality.

The SPEAKER pro tempore (Mr. LAHOOD). All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute printed in House Report 107–144 offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.
Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 103. Increase in cap on corporate charitable contributions.
Sec. 104. Charitable deduction for contributions of food inventory.
Sec. 105. Reform of excise tax on net investment income of private foundations.
Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.
Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.
Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.
Sec. 109. Revenue offset.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Act.
Sec. 302. Increase in limitation on net worth.
Sec. 303. Change in limitation on deposits for an individual.
Sec. 304. Elimination of limitation on deposits for a household.
Sec. 305. Extension of program.
Sec. 306. Conforming amendments.
Sec. 307. Applicability.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

''(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(A) the amount allowable under subsection (a) for the taxable year for cash contributions, or

''(B) the applicable amount.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined as follows:

"For taxable years beginning in:	The applicable amount is:
2002 and 2003	$25
2004, 2005, 2006	$50
2007, 2008, 2009	$75
2010 and thereafter	$100.

In the case of a joint return, the applicable amount is twice the applicable amount determined under the preceding table.''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(ii) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(I) shall be treated as income described in section 664(b)(1) except to the extent that the beneficiary of the individual retirement account notifies the trustee of the trust of the amount which is not allocable to income under subparagraph (D).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)(II)) by reason of a qualified charitable distribution to such fund.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(ii) a pooled income fund (as defined in section 642(c)(5)), and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including:

''(A) the amount of the charitable, etc., deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years,

''(C) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a),

this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking ''10 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170 of such Code is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002 through 2007	11
2008	12
2009	13
2010 and thereafter	15.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 805(b)(2)(A) of such Code are each amended by striking ''10 percent'' each place it occurs and inserting ''the applicable percentage (determined under section 170(b)(3))''.

(2) Sections 545(b)(2) and 556(b)(2) of such Code are each amended by striking ''10-percent limitation'' and inserting ''applicable percentage limitation''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Paragraph (3) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for certain contributions of inventory and other property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—

''(i) GENERAL RULE.—In the case of a charitable contribution of food, this paragraph shall be applied—

''(I) without regard to whether the contribution is made by a C corporation, and

''(II) only for food that is apparently wholesome food.

''(ii) DETERMINATION OF FAIR MARKET VALUE.—In the case of a qualified contribution of apparently wholesome food to which this paragraph applies and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such food shall be determined by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(iii) APPARENTLY WHOLESOME FOOD.—For purposes of this subparagraph, the term 'apparently wholesome food' shall have the meaning given to such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking ''2 percent'' and inserting ''1 percent''.

(b) REPEAL OF REDUCTION IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) CHARACTER OF DISTRIBUTIONS AND COORDINATION WITH DISTRIBUTION REQUIREMENTS.—The amounts taken into account in determining unrelated business taxable income (as defined in subparagraph (A)) shall not be taken into account for purposes of—

''(i) subsection (b),

''(ii) determining the value of trust assets under subsection (d)(2), and

''(iii) determining income under subsection (d)(3).

''(D) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the shareholder's proportionate share of the adjusted basis of the property contributed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 109. REVENUE OFFSET.

(a) IN GENERAL.—Paragraph (2) of section 1(i) of the Internal Revenue Code of 1986 (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''38.6'' and inserting ''38.8'',

(2) by striking ''37.6'' and inserting ''37.8'', and

(3) by striking ''35'' and inserting ''35.5''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1991. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

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

''(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

''(2) to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

''(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

''(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local

government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religion or the organization's religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not an endorsement by the government of religion or of the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) related to the intervention in and prevention of domestic violence, including programs under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

''(vii) related to hunger relief activities; or

''(viii) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to nonschool hours programs, including programs under—

''(I) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105–220); or

''(II) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4), to—

''(A) alter its form of internal governance or provisions in its charter documents; or

''(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

''(e) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (c)(4), and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy recognized in section 702 or in this section shall have no effect, except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated under such program, discriminate in employment on the basis of an employee's religion, religious belief, or a refusal to hold a religious belief. Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of 1964 in the use of funds from programs described in subsection (c)(4).

''(f) EFFECT ON OTHER LAWS.—Nothing in this section shall alter the duty of a religious organization receiving assistance or providing services under any program described in subsection (c)(4) to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688) (prohibiting discrimination in education programs or activities on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative that is accessible to the individual and unobjectionable to the individual on religious grounds; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) shall not deny an individual described in subsection (g)(3) admission into such program on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(i) LOCAL CIVIL RIGHTS LAWS.—Nothwithstanding anything to the contrary in this section, nothing in this section preempts or supercedes State or local civil rights laws.

''(j) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds and its performance of such programs.

''(2) LIMITED AUDIT.—

''(A) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall segregate government funds provided under such program into a separate account or accounts. Only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(B) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) may segregate government funds provided under such program into a separate account or accounts. If such funds are so segregated, then only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(3) SELF AUDIT.—A religious organization providing services under any program described in subsection (c)(4) shall conduct annually a self audit for compliance with its duties under this section and submit a copy of the self audit to the appropriate Federal, State, or local government agency, along with a plan to timely correct variances, if any, identified in the self audit.

''(k) LIMITATIONS ON USE OF FUNDS; VOLUNTARINESS.—No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection. No direct funds shall be provided under subsection

(c)(4) to a religious organization that engages in sectarian instruction, worship, or proselytization at the same time and place as the government funded program.

''(l) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(m) TREATMENT OF INTERMEDIATE GRANTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate grantor'), acting under a grant or other agreement with the Federal Government, or a State or local government with Federal funds, is given the authority under the agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government when selecting or otherwise dealing with subgrantors, but the intermediate grantor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(n) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1979 against the State official or local government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for injunctive relief in Federal district court against the official or government agency that has allegedly committed such violation.

''(o) TRAINING AND TECHNICAL ASSISTANCE FOR SMALL NONGOVERNMENTAL ORGANIZATIONS.—

''(1) IN GENERAL.—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component or unit thereof, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through grants or other arrangements, in procedures relating to potential application and participation in programs identified in subsection (c)(4) to small nongovernmental organizations, as determined by the Attorney General, including religious organizations, in an amount not to exceed $50 million annually.

''(2) TYPES OF ASSISTANCE.—Such assistance may include—

''(A) assistance and information relative to creating an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 to operate identified programs;

''(B) granting writing assistance which may include workshops and reasonable guidance;

''(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas; and

''(D) information and guidance on how to comply with Federal nondiscrimination provisions including, but not limited to, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), the Fair Housing Act, as amended (42 U.S.C. 3601 et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 694), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107).

''(3) RESERVATION OF FUNDS.—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may apply for these funds to be used for assistance in providing full and equal integrated access to individuals with disabilities in programs under this title.

''(4) PRIORITY.—In giving out the assistance described in this subsection, priority shall be given to small nongovernmental organizations serving urban and rural communities.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. ADDITIONAL QUALIFIED ENTITIES ELIGIBLE TO CONDUCT PROJECTS UNDER THE ASSETS FOR INDEPENDENCE ACT.

Section 404(7)(A)(iii)(I)(aa) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(aa) a federally insured credit union; or''.

SEC. 302. INCREASE IN LIMITATION ON NET WORTH.

Section 408(a)(2)(A) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''$10,000'' and inserting ''$20,000''.

SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.''.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.

Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 305. EXTENSION OF PROGRAM.

Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''2001, 2002, and 2003'' and inserting ''and 2001, and $50,000,000 for each of fiscal years 2002 through 2008''.

SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''demonstration'' each place it appears:

(1) Section 403.
(2) Section 404(2).
(3) Section 405(a).
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(g).
(9) Section 406(a).
(10) Section 406(b).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(1)(B).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 408(a).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 413(a).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d)(1).
(31) Section 414(d)(2).

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''DEMONSTRATION'':

(1) Section 405(a).
(2) Section 406(a).
(3) Section 413(a).

(c) AMENDMENTS TO SECTION HEADINGS.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking ''**DEMONSTRATION**''.

SEC. 307. APPLICABILITY.

(a) IN GENERAL.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of this Act.

(b) PRIOR AMENDMENTS.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) shall apply to funds provided before, on or after the date of the enactment of such Act.

The SPEAKER pro tempore. Pursuant to House Resolution 196, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. THOMAS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

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

Mr. Speaker, we have an opportunity here to review a very important piece of legislation. As relates to the tax portion of this bill, I do not think anybody would believe that allowing a taxpayer to deduct $25 cap or $50 for a couple is enough incentive, or that incentive is necessary. But this is politics as usual, and so we are prepared not to fight that. But the least we should do is to pay for these things. $13 billion, in the majority's point of view, is not a lot of money. After all, they have just passed a $1.3 trillion tax cut. But it would seem to me, Mr. Speaker, that if we are going to have a budget and we are going to try to stay within the four corners of that budget, the least we could do is to try to pay for those things.

Mr. Speaker, I yield 15 minutes to the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Washington (Mr. MCDERMOTT), and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman

from Wisconsin (Mr. SENSENBRENNER), and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

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

Mr. Speaker, I find it rather interesting that during the debate on H.R. 7, that there were statements made about the tax portion of the bill, especially in terms of title I, almost rising to the level of derision on the amount of money that was provided to individuals who did not itemize their tax deductions. One gentleman called it nonsense in terms of what, on a bipartisan basis, we are doing in changing the Tax Code.

I do not know about you, but I have had some enjoyment watching, over these recent evenings, the programs on dinosaurs, ''When Dinosaurs Roamed America,'' on the Discovery Channel. Frankly, some of the facts that have been mentioned on the program are staggering. For example, in referring to the sauropods which were the largest dinosaurs to roam America and they were herbivores, to give some understanding, I guess, of the size of these beasts, it was indicated that, on a daily average, they left about 2,000 pounds of fecal material.

I just pondered that fact, because in listening to my Democratic colleagues stand up and deride the tax portion of H.R. 7, I am fascinated to find that in their offering of their substitute, when they had a clean sheet of paper and, of course, if they deride the amount of money provided to nonitemizers, they certainly could have picked any number they thought was appropriate. If they thought those provisions to corporations were inadequate, they certainly could have picked any structure they wanted, and they are saying they are going to pay for their proposal, and, therefore, they had any amount of money that they chose to pay for any program they thought was appropriate for charitable giving.

Do you know what that clean, white sheet of paper turned into? It turned into word for word, sentence for sentence, paragraph for paragraph the charitable giving portion of H.R. 7. Yes, my friends. The substitute's tax portion is absolutely identical, notwithstanding all of their criticism of the majority's bill.

And so when I think back at that 2,000 pounds, I just wonder what Democratosaurus can produce. We have seen the first major installment.

For them to stand up and ridicule the charitable tax provisions in the bill and then turn right around and word for word incorporate them in the substitute certainly is a really big pile.

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

Mr. MCDERMOTT. Mr. Speaker, I yield myself a couple of minutes here.

The distinguished chairman of the Committee on Ways and Means certainly is an erudite speaker and I appreciate his great erudition on these matters.

□ 1345

However, the gentleman knows that since he runs the House, he sets the rules. You would not let us have a clean amendment. You said, you have to do a substitute; and you have got to make it germane. You made it so tight, we did not have any way to do it but to use your stupid vehicle.

But we wanted to pay for it. If we could have added an amendment and simply paid for it, we would have done it, because we would have proven the hypocrisy of what has gone on on the other side.

You are offering this amendment, and you have broken the budget; and you are into Social Security, and you will not pay for this.

That is what the people need to understand. We are willing to pay for what we do. It will turn out in this vote that you are not. You are simply doing a PR exercise.

Everybody on the other side already has their press release ready: ''Today we gave a charitable choice to every American. They can participate.'' It is an empty sack.

Mr. Speaker, I yield 1¼ minutes to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as a person that strongly believes that our religious and faith-based organizations have an important and vital role in potentially helping us solve problems, particularly for the poor, I rise in opposition to the underlying bill.

Thomas Jefferson wrote: ''Politics, like religion, hold up the torches of martyrdom to the reformers of error.''

The reformers of error in this instance are the authors of this bill, and they are so for two reasons: we have a very important separation, a wall, a separation of church and State in this country; and, instead of breaking it down, they are tunneling under it.

On page 45 of their bill, instead of having money go directly to these institutions, we can use vouchers or certificates or other forms of reimbursement. We have rejected vouchers to our public schools; we should reject vouchers to our houses of private worship.

Finally, Mr. Speaker, on the tax cut: I voted for a tax cut, a $1.3 trillion tax cut. This one is $13.3 billion. We just had $40 billion evaporate from the surplus in one month. We should not vote for more tax cuts in this body until we know what that surplus is going to be like.

So on constitutional grounds and fiscally responsible grounds, we should reject this underlying bill and support the substitute.

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

Mr. Speaker, let us revisit the comments made by the gentleman from Washington, that he was required to utilize exactly the same tax provisions.

Now, that is simply factually false. He could have changed the dollar amount to 50, 100, 250, 1,000. For him to wring his hands and say he was required to follow exactly to the word the majority's tax provisions is to simply say that the Demosaurus pile grows and grows.

Mr. Speaker, it is my privilege to yield 1 minute to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Speaker, I rise in opposition to the substitute and in support of the bill as it stands. The Community Solutions Act is just that. The Community Solutions Act is designed to aid organizations that aid communities.

This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, America is the greatest country on the face of the Earth, and in part it is because of the inspiration that our Founding Fathers had in the drafting of the Constitution and the promulgation of the first 10 amendments: ''We hold these truths to be self-evident.''

The gentlewoman says this is not a jobs bill, and she is correct. This is a bill about doing what our faiths tell us to do: lifting people up, reaching out to them, helping them. My party believes in that. I think the other party does as well.

I was a Jaycee. The Jaycee creed starts with these lines, that faith in God gives meaning and purpose to life.

I am a Baptist. There are many faiths represented in this body. I am also from Maryland. In April of 1649, Maryland passed an act on religion, now known as the Act on Toleration. It was one of the first statutes in these colonies that said we were going to make sure that the State did not infringe upon religion. Why? Because the Calvert family was Catholic, and the majority of the colony was Protestant, and they wanted to make sure that the Government did not infringe upon the right to practice their religion, which

is, of course, why they came to these colonies.

This is a fundamental issue. That is why this substitute is so good, because among those principles that we hold dear in America and the reason we are so great is because we do not believe in discrimination, knowing full well that some practice it, but that discrimination is not one of those truths that we hold self-evident.

In the fifties and sixties and throughout our history, men and women have died for that principle. Let us have the courage to vote for that principle. Vote for this substitute and vote against the underlying bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

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

Mr. SOUDER. Mr. Speaker, first I want to praise the chairman of the Committee on Ways and Means for his ability to work his contributions within the budget context. We would have all preferred to go to $500, but he has taken a stair-step method that enables people who do not take large tax deductions to take the small increments that many small churches were asking us to do.

It is appalling that Members have stood on this floor and mocked those who do not have large resources, but who would like to contribute to their local resources. I praise the gentleman for his effort.

But I think it is also important to make clear today that in fact we are not looking just to protect religious liberty in this bill; but the way it has been debated on this floor, it would repeal religious liberty that has stood for many years.

For example, if we make religious liberty subject to State and local laws, contractual provisions that prohibit a religious organization from maintaining its internal autonomy, which is not true currently, could be used to require religious health services to distribute condoms. If we repeal the religious liberty amendment and make it subservient to State and local laws, it is a slippery slope for other issues such as Medicaid, where it could require Catholic hospitals to perform abortions. This has huge ramifications in our society, if you make religious liberty subject to State and local laws.

Religious liberty. We are in a very difficult area. It is a very uncomfortable area to debate, whether people of faith who have had centuries of positions on difficult issues like homosexuality, or other churches that may or may not, for example, have male nuns or female priests, whether they have to, in order to participate in any government program, lose their religious liberty.

It will have a chilling effect not only on what could be done, but we are looking at reach-back provisions here if we start to apply this standard on what we are already doing in the AIDS area, where many churches have reached out over the years and have never been told before that suddenly they have to change their internal structure of their church to be eligible for government money. We are heading down a very slippery slope if we repeal religious liberty in America.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

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

Mr. PASCRELL. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, on page 40 of H.R. 7 is the very crux of why we believe that this is a particularly pernicious, pernicious, amendment. A young lady comes walking along, and suppose her purse falls and something pops out of the purse. Lo and behold, it is birth control pills. Under this piece of legislation, if that particular religion does not accept forms of prevention, that woman could be fired on the spot because they do not accept it. You tell me where it is she is protected in this legislation?

In the early days of the Bush administration, the Office of Faith-Based Initiatives was created with the great idea that religious community-based organizations are the best source of social services.

I support the Rangel-Conyers-Frank-Nadler-Scott substitute. I was the mayor of Paterson before I came to the Congress, a city whose residents rely on exactly the social programs this legislation is designated to help. Believe me, my city counted on these social services, nonprofit organizations, many of them religiously affiliated, to supplement the city, State and Federal programs that already exist.

But as a former mayor, as a former State legislator, I have grave reservations about the number of provisions in the Community Solutions Act which would supersede State and local civil rights laws and, in essence, allow religious institutions to discriminate, despite receiving Federal dollars.

The Rangel substitute corrects every inequity and every discriminatory possibility. It recognizes the unique contributions of religious organizations to the community. Unlike the base bill, this amendment not only creates a new program, but it also pays for the program.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House of Representatives.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I come to this debate today in a very solemn mood, but a very excited mood at the same time, it is kind of a conflicting emotion, because this is the beginning of a debate that we have been looking for for a long, long time; in fact, my entire adult life. This is the beginning of a very real debate in this country over two very distinctly different world views.

For 40 to 50 years, we have had the world view, as exemplified by the opposition all day long today, a world view that has been going on for 40 or 50 years, and that world view basically is man can build Utopia, and what can undermine that building of Utopia is bringing God into the mix. So they have spent 40 to 50 years getting God out of our institutions, and they have fought very long and been very successful at it.

Yet now we have a President that comes along and says, no, faith is important; what you believe is important. What you believe is what you are, and we need to bring it back in, because the world view that says we are going to build Utopia by building huge government to do everything for you, faith does not have to enter into it.

Do you know what the result of that is? Look at what has happened over the last 40 or 50 years to the culture, the fabric of the culture of this country. I do not have time to list it here, but we all know what I am talking about. The culture, very fabric has been ripped apart, the culture of this country.

Now we want to bring it back in, and part of rebuilding that culture is faith, faith in something bigger than yourself, and that, to many of us, is God; and we want to bring God back into it. But they want to continue to discriminate against those that want to bring in faith-based institutions, that have proven to be successful.

□ 1400

Right in my own district, Chuck Colson's Prison Fellowship took over an entire prison on faith. Do we know what the recidivism rate of that prison is? Mr. Speaker, it is 3 percent. Because we know that changing the heart and mind and soul of men through faith is how they are changed.

That is what we are talking about here. It is more fundamental than the petty arguments that we have heard here today. This is vitally important, the future of our country and the rebuilding of our culture. We must pass this bill without amendment. Vote for the bill and against the substitute.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, 40 or 50 years, I would tell the gentleman from Texas (Mr. DELAY), indeed, 200 years and plus, because some of us think that just maybe our Founding Fathers, Mr. Jefferson and Mr. Madison and all those that played a role in our Bill of Rights, may have known just slightly more than the greats of today such as the gentleman from Texas (Mr. DELAY), Mr. Gingrich, the gentleman from Texas (Mr. ARMEY), and the gentleman from Illinois (Mr. HASTERT). Perhaps they understood the role, the

important and vital role that religion would play in our society, and they would also recognize that we do not need government interfering with it. We do not need government funding it.

Indeed, that is why hundreds of religious leaders, who are doing innovative work—enriching and changing lives across this country, have opposed this bill. Because they are doing their good deeds, they are living their faith and their religion, and they do not even need the gentleman from Texas (Mr. DELAY) and the gentleman from Illinois (Mr. HASTERT) to come in and pass a bill to let them do it.

Today is a referendum on discrimination. We will have a vote today on which the Members of this House will have an opportunity to say whether they want to spend Federal tax dollars to encourage discrimination in employment or not. And the second matter, the ultimate faith-based initiative today is on the issue of fiscal responsibility.

Mr. Speaker, these Republicans are draining the Medicare Trust Fund as quickly as they can turn the spigot. And when they get through emptying it, they are moving next to the Social Security Trust Fund. That is why rather than remaining true to recent Republican pledges to ''lockbox'' Medicare, The Director of the Office of Management and Budget calls the Medicare Trust Fund ''a fiction,'' Indeed, the real fiction is the claim that Republicans can provide tax breaks like this and maintain any sense of fiscal responsibility.

If we think that the gentleman from California (Mr. THOMAS) can keep coming in here, week after week, with one special interest tax break after another, today for those that helped in getting out the Republican vote last year in certain parts of the religious community, and next week with the breaks for the oil, gas industry nuclear and coal industries, if we think that he can provide all of those tax breaks and not pay for or provide offsets for a single one of them without invading the Medicare Trust Fund and the Social Security Trust Fund, Mr. Speaker, if we think he can accomplish that, we are really investing the ultimate faith-based initiative.

Mr. THOMAS. And the Democrats' sorrow pile grows and grows.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, not every human need and social problem requires a government program. There are many charitable, nongovernmental, nonprofit, humanitarian and faith-based programs that work, that are very effective. President Bush has recognized the power of faith-based organizations, and he has challenged America to harness this power. He points to groups like Teen Challenge that operate in Pennsylvania for over 40 years. It has an 86 percent success rate in drug and alcohol rehab, and they track their graduates for 7 years after they graduate. The government programs we fund have a 6 to 10 percent success rate. Clearly, there is a difference.

President Johnson waged a war on poverty. We have declared a war on drugs. We have not won those wars. That is because the real problems of this country are not money problems, they are problems of the spirit. Government cannot create a work ethic or make people moral or make people love one another or pray, renew communities. Government cannot address the basic problems which are problems of the spirit, and these faith-based programs can. Let them have a place at the table with their conscience.

Mr. MCDERMOTT. Mr. Speaker, I yield 10 seconds to the articulate gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is a flaw in several of the things we have heard. The bill specifically says we cannot have a religious and theological content in the program. Those who say that the importance is to use religion to improve people's lives have not read the bill.

Mr. MCDERMOTT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, religious institutions have always played a vital role in serving the needs of society's most vulnerable members, our children, the poor, the disabled, the dispirited, not out of a motivation for public funding but driven by the beneficent dictates of their faith. That work goes on. It must go on. I applaud the administration for the desire to further this goal.

But this bill is not the way. Providing Federal funding directly or indirectly through a massive multi-billion dollar voucher program, practically without restriction, for religious or nonreligious activities related to the delivery of social service runs squarely into conflict with our Constitution.

Why does that matter? Perhaps the Founding Fathers got it wrong. Because there should be no separation of church and State. Perhaps the Founding Fathers were simply antagonistic to religion. No, they were not. The right of free exercise of religion and against the establishment of religion protected in our Bill of Rights are intertwined rights. They are inseparable. Allow the establishment of religion, and we do away with the free exercise of religion. Allow the excessive entanglement of church and State as represented in this bill, and we do not serve church or State.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

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

Mr. STEARNS. Mr. Speaker, I think all of us should reflect a little bit and realize that four bills were signed by President Clinton that had charitable choice in them and they passed overwhelmingly. I suspect that a lot of people that are debating this voted for those bills, because they passed 345 to whatever was left.

Proponents of the idea to substitute their own bill always talk about our bill violates the first amendment, and this is a very relevant question. It demands some serious consideration. Those who support the idea that they want to put in another bill because ours violates the first amendment do so because they believe in the first amendment, but we all do. The Constitution provides, ''Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof.''

But this charge is twofold. The first amendment provides that the government cannot establish one religion or a religion over a nonreligion. But it also, I say to my colleagues, provides that the government shall not prohibit the free exercise of religion.

This is a very important point and the purpose of our bill. With some constitutional concerns in mind, we must make certain to allow members of organizations seeking to take part in government programs designed to meet basic human needs and ensure that capable and qualified organizations not be discriminated against on the basis of their religious views.

So charitable choice makes clear that existing Federal law providing for the Federal provision of social services should not be read to exclude. One cannot exclude faith-based organizations solely on the basis of their beliefs.

So I would conclude, Mr. Speaker, to point out that what we are trying to do is exercise freedom of religion, and that is what charitable choice does.

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

This amendment was put out here for a very simple purpose. The Republicans have been acting like they had a $500 bank account and they were going to write ten $100 checks; and that is what the Committee on Ways and Means Chairman led by the Committee on Ways and Means Republicans has done, over and over again.

We received a letter from the gentleman from Iowa (Mr. NUSSLE) on July 11 that said that the surplus remaining was $12 billion. Now, the President has yet to submit a defense request to us. The lowest estimate anybody has heard is that he wants $10 billion. So if we just imagine taking 12 and subtracting 10, we now have $2 billion left in surplus, and so then we are almost into Social Security and Medicare. Okay?

Now, we also have stuff coming out of the CBO and the Committee on Joint Taxation telling us that the economy has slowed down and the revenue estimates are going down. A very conservative estimate of how far down they have gone is $20 billion. Now, remember, we have that $2 billion left, we subtract another 20, we are $18 billion into the surplus in Medicare.

Mr. Speaker, I do not know how many times I have heard people come out and say, we are going to put a lockbox on these funds. By God, we are going to put a lockbox on this, on Social Security, and lock up all that Medicare.

Right here, before we pass this foolish bill, we are already $18 billion into the Medicare money. Now we have another $13 billion here. So now we are up to $31 billion, and next week we are all going to get a chance to come out here and pass a bill about energy cuts. I have forgotten what that one is. I think it is $33 billion. And we know that $500 checking account that we wrote $1,000 worth of checks on, we are going to write about $5,000 worth of checks by the time we are done. We are bankrupt, unless we go into Social Security and Medicare.

Now, we can do all the dancing we want out here and talk all about the issue of the first amendment. I mean, people are acting like somehow we cannot fund social services done by faith-based groups. As I said earlier, that is nonsense. Catholic charities, Jewish Charities, Lutheran World Service, on the list goes, the Salvation Army, the whole works, they all have tremendous amounts of Federal money, and they follow rules. And that section of this bill that wants to take away the rules or start bending the rules is going to wind up with people facing indictments. We are going to have ministers who think they can come down here to the government, get a bag full of money and go home and do whatever they want with it, and they are going to wind up being indicted.

Now, we had one of our colleagues, some of my colleagues may remember, runs a great, large church, and he spent a lot of money defending himself against the charge that he was spending Federal money in a religious way. He ultimately won, but we are going to see that this is not a free bag of money to just go and take for church leaders to take home and do whatever they want with. The Supreme Court, the district courts, the courts of appeal have been clear on this issue.

The gentleman from Texas acts like the country started when the Democrats were picking up the pieces after the Republican debacle of the 1920s. This country spent 200 years with a separation of church and State. It does not need this bill, and it is fiscally absolutely irresponsible.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds. The Democrats' pile of sorrows grows and grows. The bank that the gentleman described existed only when the Democrats controlled the House of Representatives and ran a bank that did just exactly what the gentleman described.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me this time.

It is interesting that speaker after speaker today on both sides of the aisle has begun his or her remarks by citing some faith-based organization back in his or her own district that is doing such a wonderful job and then talking about how incredibly supportive they are of those organizations. Yet, with their substitute and with their attacks, the opposition would add burden after burden after burden on these very organizations. In fact, the last speaker would scare faith-based organizations to make sure that they do not take advantage of this law. Worse yet, some of them, some of them would like to remove the religious exemption that these organizations have enjoyed for years and which has been upheld by this body and the United States Supreme Court.

□ 1415

But remember this, the first amendment to the Constitution says that government shall not establish a religion, but it also requires us to honor religious liberty. We have done so for years. We have done so in the years since charitable choice. Some here today would delete that exemption.

Mr. Speaker, maybe we should have that debate on the floor of this House, but that is not the debate today. This is not about scaring faith-based organizations, this is not about putting burdens on them, this is about turning them from rivals in the minds of too many people to partners.

America is hurting. America has needs. America has challenges. Neighborhood after neighborhood has challenges. There are organizations in these neighborhoods ready and willing to make a difference. We should stand by their sides. We should extend a helping hand. If we do this, we can win the war on poverty. We can change America for the good.

I ask my friends to oppose this substitute amendment, support this bill, and let us get it to the President's desk.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding time to me.

I want to say to my good friends on the left, gee, whiz, they must have trouble sleeping. Since 1996, this basically has been the law, that charitable institutions, faith-based institutions, can participate in welfare distribution, welfare services.

Now all we are doing is saying two things, that we want to expand that eligibility to say that faith-based institutions who are delivering social services, like job training, like drug addiction, like feeding the hungry, that they can participate in grants.

I know Members are very, very proud of the great job that the government has been doing since the War on Poverty. We have only spent billions and billions of dollars, and the poverty level has not decreased.

What we are saying is, let us think outside the box. Let us expand it. Let us let faith-based institutions get in there.

The second part, which is very important, is let people have a charitable contribution deduction on their taxes to encourage more giving to charity. We think this is important.

I know that the left, and I want to say the Washington left, because I want to say to my Democrat friends back home, all the Democrats back home support this. The traditional liberals back home think this is a good idea. I would be very careful before I listen to my Washington friends.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield the remainder of my time to the gentleman from South Dakota (Mr. THUNE).

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from South Dakota (Mr. THUNE) is recognized for 15 seconds.

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

Mr. THUNE. Mr. Speaker, as we close this debate, I would like to say that I had the opportunity last April to travel around my home State of South Dakota and visit a few of the hardworking local charities that would benefit from this legislation.

I am continually amazed by the kind hearts of the neighborhood saints who work and volunteer at these organizations day in and day out. These folks serve the poor, the weak, and the victimized.

We need to support this legislation, because these organizations can make a difference in people's lives. We need to defeat the Democrat substitute and pass H.R. 7.

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent that the gentleman from New York (Mr. NADLER) be allowed to manage the 15 minutes allocated to the Committee on the Judiciary.

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

There was no objection.

Mr. NADLER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, it is unfortunate that we have been forced by the Republican leadership to consider many of the principle problems with this bill in one substitute amendment. It would have been better to have an open debate on separate amendments, but that might have been proven embarrassing.

Therefore, we have this substitute, which does several things. It prohibits employment discrimination and preemption of State and local civil rights laws with Federal funds, it provides offsets for the costs of the bill, it deletes the sweeping new provisions permitting agencies to convert more than $47 billion in government programs into private vouchers without congressional review, and it protects participants from religious coercion.

If Members do not believe in employment discrimination and if they support the civil rights laws of their community, they should vote for the substitute. If Members are concerned about the administration having unfettered discretion to turn billions of dollars of social services into vouchers without any congressional review, they should vote for the substitute.

If Members think that the charitable deductions established in this bill should be paid for by a slightly lower tax cut to the very wealthy, rather than by raiding the Social Security and Medicare trust funds, they should vote for the substitute.

If Members are fiscal conservatives and think tax cuts must be paid for, they should vote for the substitute.

If Members believe that the most vulnerable members of our society should be free from religious coercion when they seek help, then they should vote for the substitute.

Some Members may want the substitute to do something more or may wish the substitute did not do something that it does. But if Members are concerned that this bill is flawed and want to make their concerns known, they should remember that their choice is between the substitute and the bill. If Members do not vote for the substitute, they should not delude themselves into believing the concerns will be addressed down the road.

If the Republican leadership of the House thinks they can muscle this flawed legislation through the House, they will not pause to repair the terrible flaws later.

Members should vote for the substitute if they have any of these concerns. I urge my colleagues to do so.

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

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

Mr. Speaker, I rise in strong opposition to the substitute. It not only removes key provisions of the bill, but it denies religious organizations civil rights protections they currently enjoy.

Make no mistake about it, the substitute is a radical retrenchment of current law which flies in the face of a unanimous Supreme Court which upheld religious organizations' exemption from title VII, even when they perform social services that contain no religious worship, instruction, or proselytization.

One of the most important charitable choice principles is the guarantee of institutional autonomy that allows faith-based organizations to select staff on a religious basis. H.R. 7 preserves this guarantee and is supported by no less a civil rights leader than Rosa Parks. She has said that H.R. 7 is an important response to urban America in its reduction of discriminatory barriers currently suffered by many grass roots churches who are unable to access funding for educational and social welfare programs.

Now, if churches are allowed to compete for Federal social service funds, they must be able to remain as churches while doing so, and being able to hire those of the same faith is absolutely essential to being a church.

Even former Vice President Al Gore during his campaign, and in a speech to the Salvation Army, said that, ''Faith-based organizations can provide jobs and job-training, counseling and mentoring, food and basic medical care. They can do so with public funds, and without having to alter the religious character that is so often the key to their effectiveness.''

Again, the only way a church can retain its religious character is if it can hire staff with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered by H.R. 7 with the same staff they currently have. That staff likely shares the same religious faith.

The substitute would make it impossible, impossible for these small churches to contribute to Federal efforts against desperation and hopelessness, and it is precisely these small churches that H.R. 7 intends to welcome into that effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted private nonprofit religious organizations engaged in both religious and secular nonprofit activities from title VII's prohibition on discrimination in employment based upon religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case:

''Section 702(a) is not waived or forfeited when a religious organization receives Federal funding. No provision of section 702 states that its exemption of nonprofit religious organizations from title VII's prohibition on discrimination in employment is forfeited when a faith-based organizations receives a Federal grant,'' but the substitute would do just that, and change current law.

The portion of the substitute that says that no Federal funds can go to an organization that engages in sectarian instruction, worship, or proselytization at the same time and place as a government program is fatally unclear. Does it mean that no sectarian activities can occur anywhere in a church when only the church basement is being used to run a life-skills class under a covered Federal program? If two rooms in the church are being used to shelter a battered spouse, does the rest of the church have to cease all religious functions?

The substitute contains language that may say yes to those questions. Inner-city churches in low-income neighborhoods simply cannot afford to set up duplicate facilities to run these social service programs. The substitute punishes small churches, particularly those in poor neighborhoods that cannot and should not have to set up two different buildings to take part in Federal social service programs.

Regarding the indirect funding language of the bill, the Supreme Court approved indirect funding as a way to much reduce church-state separation as far back as 1983 in Mueller v. Allen and in Witters v. The Washington Department of Social Services to the Blind in 1986.

Subsection 1 in H.R. 7 is about more than vouchers, which is just one type of indirect funding mechanism. It is not necessary that a beneficiary actually be handed a piece of paper called a voucher and carry it to the point of service.

According to the Supreme Court, indirect funding is where a beneficiary has genuine choice of social service providers; where the exercise of that choice determines which provider ultimately receives the funding, because the beneficiary decides where the funding goes and not the government.

The Supreme Court has said that the government's responsibility stops with the beneficiary. Therefore, whether the funds end up in a secular or religious group is a matter of private choice, and the establishment clause does not regulate private choices.

The minority party complains of hazards of church-state separation with H.R. 7. When the majority proposes subsection 1, which would alleviate all these first amendment concerns of entanglement, and threats to the autonomy of the faith-based organizations, they object to the perfect solution to their complaints.

The minority also acts like indirect funding is a new and untested idea. We have been living with the child care development block grant act since late 1990. With this act, the Federal Government has been funding services provided by churches via indirect aid, which provide over 40 percent of the indigent day care in this country.

It has resulted in no problems. Indeed, none of the radical separationist organizations have dared to even file a lawsuit to challenge this act.

It is not just day care that can be funded by indirect aid. Alcohol and drug rehabilitation centers can also work in this manner. The State and local government determines who meets the qualifications for these services, and counselors work with qualified individuals to look over the centers available in his or her community. The individual makes a choice, and a call is made affecting a referral. The beneficiary goes to the rehab center and is enrolled. Then the center notifies the State, and checks are sent each month that the services are rendered to that beneficiary.

Subsection 1 is also narrowly drafted. A cabinet level Secretary does not have carte blanche. No program can be shifted to indirect aid without three requirements being met: one, it must be consistent with the purpose of the program; two, it must be feasible; and

three, it must be efficient. This discretion can be challenged under the administrative procedure act.

For all these reasons, I urge my colleagues to oppose the substitute.

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

Mr. RANGEL. Mr. Speaker, I yield myself 15 seconds to correct the misstatement of fact by the distinguished chairman who stated that churches can discriminate. They can, but not with Federal funds. This bill would allow them to discriminate with Federal funds. The motion to substitute would say they cannot.

Mr. Speaker, I will later include for the RECORD the letter from Rosa Parks saying she does not support discrimination with Federal funds.

ROSA & RAYMOND PARKS
INSTITUTE FOR SELF DEVELOPMENT,
Detroit, MI, June 26, 2001.

Hon. JOHN CONYERS, Jr.,
Ranking Member, House Judiciary Committee, Rayburn House Office Building, Washington, DC.

DEAR JOHN: As you know, I support legislative efforts to enhance the ability of religious and other faith-based groups to receive government funding in order to respond to community problems.

I believe that helping grassroots churches access this funding can be fully consistent with our civil rights laws and the First Amendment This is why I want to express my support for amendments you plan to offer when the House Judiciary Committee considers H.R. 7 which would insure that government funds provided to religious organizations are not used to keep churches or other non-profits from working together for the betterment of us all. We do not want to change the 1964 Civil Rights Bill that we fought so hard to achieve.

Churches already know that they cannot use food or other services they may provide as an excuse to force people to accept their religious views, while using government funds. I am certainly in support of making sure that does not happen.

John, we have both spent our entire lives fighting against discrimination and in favor of the protections set forth in our Bill of Rights. The last thing we would want to do is permit H.R. 7 to be used to narrow the civil rights laws or to intrude on the First Amendment. It is my hope that adoption of these amendments will help broaden the bipartisan support for the bill and allow the measure to be quickly passed into law so that churches can increase their role in fighting poverty and other urban ills.

God bless you and your good work.

Peace and Prosperity,

ROSA PARKS.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader.

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

Mr. GEPHARDT. Mr. Speaker, I rise to speak in favor of this substitute. I believe it is a superior bill to deal with this very important problem.

I am saddened to stand before the Members in opposition to the language of the bill that is on the floor. In my view, this bill represents a missed opportunity to extend the good works of faith-based organizations.

I am a strong supporter of not-for-profit and faith-based organizations. I believe they provide tremendous help to people all over this country. They feed the hungry. They put roofs over people's heads. They tend to the most underprivileged in our society, the poorest members of our communities. They are vital to every community in America, and as forces for good in our society, they are simply irreplaceable.

But I do not believe that we should accept the premise of the legislation before us. I believe in the Golden Rule: ''Do unto others as you would have them do unto you.'' I do not think that we should expand government support for institutions at the expense of fundamental civil rights and antidiscrimination protections for all Americans.

Millions of people, African Americans, Hispanic Americans, women, gays and lesbians, the disabled, people of all different faiths, enjoy more opportunity and equality because of the these laws.

□ 1430

These are living, breathing parts of the American democracy, making a tremendous difference in people's everyday lives.

I believe the President's faith-based initiative rolls back these protections; protections which ironically our leading reverends and Rabbis and religious luminaries have fought for and won; protections which further the fundamental humanist principles of equality, individual liberty, and freedom.

The consequences of this bill, unintended or not, are that it will be easier for these important institutions to ignore fundamental State, local, and Federal antidiscrimination laws. Just last week, The Washington Post reported that the Bush administration had reached some kind of an agreement with the Salvation Army. In exchange for political support, the White House would consider exemption for the Salvation Army from local and State laws protecting gay Americans from discrimination. This was a sad development, and it indicates the kinds of problems this law creates for potentially millions of Americans in every corner of our society.

I am also concerned that the bill has a tax incentive that is not paid for, and a very small incentive that will have little or no effect on charitable giving. We continue to worry about going into Medicare and Social Security Trust Funds in this budget, and we should not pass new tax breaks without finding offsets so we do not invade these critical programs.

Finally, I think this bill violates the fundamental church-State separation that is still a fundamental principle of our democracy. This bill will invite government regulation of religious institutions; and through a little known loophole, it will invite government scrutiny of the allocation of government-wide vouchers, which will blur the line separating church from State, weakening our Bill of Rights.

In short, I do not think this bill is what the American people want, and I do not believe this is what the House of Representatives wants for our country. Americans enjoy the wonderful protections afforded by the Bill of Rights, the Civil Rights Act of 1964, and the countless critical civil rights laws at State and local level. They have made more freedom and more equality everyday reality in people's lives. I urge Members to vote for this substitute so that we can support faith-based institutions in ways that will not harm the people of this great democracy but will uphold the role of faith in our great and diverse Nation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, I would like to engage the author of the bill in a colloquy.

Many H.R. 7 supporters have questioned why this issue is suddenly being discussed, since the most recent version of the charitable choice signed into law last year included the following provision: ''Nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or any regulation that relates to discrimination in employment.'' Is that not correct?

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, yes, that is an accurate characterization.

Mr. KIRK. H.R. 7, as currently written, does not include similar language prohibiting the preemption of State and local laws; is that not correct?

Mr. WATTS of Oklahoma. If the gentleman will continue to yield, yes, that is correct.

Mr. KIRK. If a State law prohibits discrimination based on a particular characteristic, and in a religious organization would ordinarily, based on State law, be required to comply with that law, would H.R. 7 change that situation in any way?

Mr. GREEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Speaker, yes, H.R. 7 would change this situation, in a particular instance. If a religious organization were to use funds where the State funds have been commingled with Federal funds, it could assert its right under subsection (d) and (e) of H.R. 7 against the enforcement of State or local procurement provisions that limited the religious organization's ability to staff on a religious basis.

Mr. KIRK. Mr. Speaker, reclaiming my time, I thank the gentleman from Wisconsin for that clarification.

Several constitutional lawyers have informed me that H.R. 7 would indeed change the existing situation. This is precisely where we seem to most disagree on the direction our policy

move in. I would hope that the gentleman from Oklahoma (Mr. WATTS) would commit to working with those of us who are concerned about this issue to craft language which would ensure that these organizations comply with State and local civil rights laws which exist in communities across the Nation.

The gentleman from California (Mr. DREIER) and several representatives of the leadership have expressed their desire to clarify this issue in conference.

Mr. WATTS of Oklahoma. If the gentleman will further yield, as sponsors of the bill, the gentleman from Ohio (Mr. HALL) and I are willing to make the commitment that we will more clearly address this issue in conference and with the gentleman as the process moves along.

Mr. KIRK. Mr. Speaker, I thank the gentleman.

Mr. NADLER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, to be honest, on days like today, I am just saddened to be a part of this body. We bring bills like this to the floor and we scream at each other; and the truth of the matter is that there are wonderful, good people on both sides of this issue.

There are people, black and white, Republicans and Democrats, and I could use all of my time, who have spent their entire lives fighting against discrimination. Some of them are supporting this bill; some of them are opposing this bill. The ones who are supporting it, I believe, are supporting it because they believe that the benefits outweigh the detriment, and those who oppose it believe that the detriment outweighs the benefit. I happen to be in that latter category.

I have spent my entire life fighting against discrimination in every form, racial, religious, gender, sexual orientation, without exception; and I will not vote for a bill that sanctions discrimination in religion. And that is what this bill does.

Now, some of us can say that it is worth the price to do that, and I will respect a colleague who says that. But I will not respect anybody who gets up and denies that the bill does not do that. Even the gentleman from Oklahoma (Mr. WATTS) acknowledged that right now he is going to work on it in conference.

The time to work on the bill is here, now, in the committee, in the House. And if it does not measure up, we should vote it down and support the Democratic substitute.

Mr. SENSENBRENNER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HASTERT), the distinguished Speaker of the House.

Mr. HASTERT. Mr. Speaker, I rise in support of the President's faith-based initiative and urge all of my colleagues to vote for it.

This is a bipartisan bill. I worked last year with President Clinton to do the urban renewal on a bipartisan basis. This idea is not new. When the urban renewal bill was moved last year, I think it almost had unanimous consent on both sides of the aisle.

Why, and why is this important? As we walked through this situation, and I kind of led the antidrug effort, at least on this side of the aisle for a couple of years before I got another job, we found that when we walked into drug treatment organizations that were usually government-run, we had recidivism rates of 95, 96, and 97 percent. When we walked into faith-based organizations to see what their results were, we had recidivism rates as low as 24 and 25 percent. It works.

When people care about people and offer their time and their faith and their hard work and their commitment and devotion to change people's lives, it works. Not only does it have the net result of changing people's lives, allowing people to live a better life, allowing their children and their grandchildren to live a better life, it is also one of the things that, as we look around here, is a little cost effective. If we have recidivism rates of 95, 96, and 97 percent and then turn around and have an answer where recidivism rates are a third of that or less than that, then that is a good idea. It is something we ought to look at.

I believe we need to put the protections in. We need to have the safeguards, and we are trying to do that. I think the good faith of the sponsor says he will do that.

This is a good idea. It is not a new idea. It is part of President Clinton's urban renewal that we did just last year. It is something that works, something that is eminently good common sense. So let us move forward with this. Let us pass it. Let us get it into the Senate. Let us work through the process. Let us lead. Let us do what is right for America.

I commend the sponsor and those who support it, and I appreciate the gentleman from the other side of the aisle, the gentleman from Ohio (Mr. HALL), who has worked on this as well. I have walked a lot of districts, both Republican and Democrat districts. I walked with the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. RUSH) in Chicago, and have talked to people who have been able to change people's lives. Let us give them a chance to do a better job.

Mr. NADLER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is virtual unanimity here on the goal the Speaker stated. We simply do not believe that to get the benefit of these decent well-motivated individuals who run the faith-based institutions that we have to give them the right to discriminate.

Now, we were told, well, there is probably a concession that there are parts of this bill that would allow too much discrimination, but they will be fixed in conference. It is funny, when I heard this was the faith-based bill, I thought they were talking about faith in God, not faith in the Senate. I think there is a lot less of that over here than of the other.

This bill clearly authorizes the preemption of State and local civil rights laws. What it says is with Federal money, doing purely secular activities, albeit motivated by faith, they can violate State and local laws. And if the money is commingled, if there is State money and local money, and they try to condition that money on their policies, the Federal money wipes that out. It also allows religious discrimination.

It seems to me to disserve the faith-based communities. It insults them to say that they can only go forward if they are allowed to violate otherwise applicable State law and discriminate on these grounds.

And let me address one absolute inaccuracy. The suggestion that we have heard, that the substitute and then the subsequent recommit, somehow will enact the National Gay Rights Bill, that is absolutely and completely and totally false. All this says is that where there are existing State, State antidiscrimination laws, and an organization would otherwise be covered by them, they are still covered. Federal money does not become the universal solvent. If an organization is in a State and they get Federal highway money, that does not exempt them from State laws. If they get Federal housing money, it does not exempt them from State laws.

Do my colleagues really think so little, those on the other side, of churches and faith-based institutions, and synagogues and mosques, as to think they will not do this faith-based charity unless they are given a special right to violate State laws and discriminate against people? I think we are the ones who truly show faith in them.

□ 1445

Mr. SENSENBRENNER. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. HALL).

Mr. HALL of Ohio. Mr. Speaker, I have heard a lot of interesting stories today. Some of the speakers, I think, have pointed out worst-case scenarios. These scenarios have never actually come about. They have never happened. We have voted on this four times in the Congress, and these worst-case scenarios have never happened.

This is about the little guy. It is about the man or woman that is helping the least and the lost of our society. It is about the small organization with a few employees, maybe two, three or four employees. It might be one person, the same person dishing out cereal in the morning. He is also the person that is leading the Bible class in the afternoon. He probably has got a jobs program late in the afternoon. At night, he is turning off the

lights; and probably just before that, he swept the floor.

That is what it is about. This is not about a group of people that works 40 hours a week. It is about people that nobody ever heard of. Nobody ever knows them. They never see their name in the paper. They do not work 40 hours a week. They work 50, 60, 70 hours. They work because they love, and they work because of their faith.

Finally, I wanted say that we need to be careful. I especially say this to my Democratic colleagues: We dismiss and we discourage people of faith in this country with our words and our actions sometimes; and we almost, to a point, put out a sign that says you are not welcome in our party.

Vote against this substitute. Vote for this bill.

Mr. NADLER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I certainly do not want to discourage people of faith. I want to encourage them. But that is not what this debate is about.

In fact, I am more confused now than I was before after listening to the colloquy between the sponsor of the bill and the gentleman from Indiana (Mr. HASTERT). We are going to work on this in conference. We are going to work on States' right. I thought we did that some 200 years ago. Whatever happened to States' rights?

It seems that devolution, that fundamental principle of the Reagan revolution is no longer operative.

I look at my friends on the other side of the aisle. The Contract with America which spoke so clearly about local control seems to have been discarded. Well, it is clear to me that States' rights in this Chamber are no longer in vogue today or with this administration, at least on this particular issue.

Remember, last week we learned that the Salvation Army had lobbied the White House for a regulation exempting them from State and local laws to protect employees from discrimination based on sexual orientation. Then there was an uproar, and that effort was quickly abandoned.

Well, they will not need a regulation if this bill becomes law today as it is presently drafted because religious organizations will be able to evade State and local laws simply by receiving a Federal grant. They will be free to deny a job to qualified workers. We must not let this happen.

Support the substitute. Defend States' rights and defeat the underlying bill.

Mr. NADLER. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Speaker, I agree with the sponsors and advocates of this bill. As we look around our communities, it is undeniable the best homeless facilities, drug treatment, even job training courses are not city and State run. They are run by churches and synagogues.

The supporters of this bill are right. We ought not rule out a compassionate program simply because it is motivated by a calling from God. I do not support those who believe that this bill is the handiwork of the radical right. This is the product of a very real desire to replicate the great works that are quietly and effectively working all throughout this Nation.

The gentleman from Ohio (Mr. HALL), the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Wisconsin (Mr. SENSENBRENNER) are decent and caring individuals who seek to do what is best.

I will vote yes on this bill if we can make a much improved bill and perfect it further.

First, let us restate what is the agreed-upon purpose of bill. Today, we vote to fund secular services in a nonreligious environment, no preaching, no proselytizing. It is right there in the bill. The bill, to its credit, makes that very clear. There is no reason to want to discriminate in hiring of a typing teacher or an after school art teacher. None of us would support such discrimination in these purely nonreligious environments.

We should guarantee that this discrimination does not take place.

To be clear, I strongly support Title 7 language of the Civil Rights Act of 1964. There is no reason to extend this protection to the programs we consider today.

Secondly, I ask the sponsors, why should the passage of this effort drag down local and State human rights and anti-discrimination laws?

It is ironic that many of the excellent and active religious organizations who support this bill were at the forefront of the laws that are being passed in the States and cities to protect the most vulnerable.

As a former city councilman, I share the chagrin so often expressed by my conservative colleagues about the way we frequently trample on carefully considered local laws. There is no good reason to do that in this bill.

When my colleagues advocate for the bill, I hear no good explanation for that preemption.

Finally, as I said, I do not agree with the theorists that this bill is a subterfuge for a sinister agenda. Some have called me naive in that.

Now after the bill was considered carefully and thoughtfully in two committees of this House, a new section was added which dramatically changes the way we administer virtually every social service program, every housing program, every anti-crime program by permitting a voucher-driven reorganization.

Mr. Speaker, this broad administrative change that impacts $47 billion of grant programs has no place in this bill.

Fortunately, I can and will vote for the Faith Based Initiative Bill today. I will be voting for the Rangel Conyers substitute which irons out the last of the wrinkles in this bill.

It ensures the best of the desires of this house—increased Federal funding for local religious based programs. And it makes it clear what we already know—there will be no discrimination in hiring.

It preserves state and local human rights laws. And it leaves the voucher debate for another day. Modest improvements that—if made—can make this a bill that unifies this body around the principles that unify this Nation.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I commend all those on both sides of the aisle who are trying to figure out a way to assist faith-based organizations. But I think, given the nature of the debate, we need to pay due to the devil, and the devil truly is in the details on this important subject.

Mr. Speaker, the unfortunate detail that I learned is that in the underlying bill it allows, it condones, it sanctions an employer to use tax-based money to hang out a sign saying we would like a drug therapist counselor, but no Jews need apply. That is wrong. It breaks faith with what Thomas Jefferson was so instrumental in giving to the world, which is tolerance for religious freedom. The separation of church and State is not because faith is only of small importance, it is because it is of great importance.

Vote for the substitute which helps faith-based organizations but keeps faith with the idea of religious freedom.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. NADLER) has 2¼ minutes remaining, and the gentleman from Wisconsin (Mr. SENSENBRENNER) has 3 minutes remaining. The gentleman from Wisconsin has one final speaker to close.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, a few moments ago when the Speaker of the House said this bill is not a new idea, the gentleman was absolutely correct. The idea of having tax dollars subsidize our churches and houses of worship was debated 200 years ago by our Founding Fathers. In answering that question, they felt so strongly about it that they not only put it into law, they embedded it into the first 16 words of the Bill of Rights, the proposition that religion in America is best served when we keep the hand of government regulation out of our houses of worship.

When supporters of the bill today say we voted on funding of subsidizing religious discrimination in the past and we voted to directly fund churches in the past, they fail to point out that most of those debates were at 1:00 a.m. or 12:30 a.m. on the floor of the House with only two or three Members here on a 20-minute debate. I know because I have one of those three Members.

Mr. Speaker, this bill was wrong at 1:00 a.m. in the morning, and it is

wrong today. Direct funding of our churches was wrong 200 years ago, as evidenced by our Founding Fathers' writing of the Bill of Rights; and it is wrong today.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, as Chair of the Congressional Black Caucus, I want to share with my colleagues that we have a unanimous vote to vote against this bill and to support the substitute. It should not be a surprise why. We all are victims of discrimination. We do not want to roll back the clock. We are recipients of faith-based leadership throughout our history. We are not afraid of faith-based organizations. We support them. We work with them.

All of the ministers who were brought here were snookered to think that they were getting something, until they found this clause in the bill.

Mr. Speaker, they unanimously decided that it was not worth rolling back the clock and codifying discrimination again in the year 2001. I would ask all of the Members to please support the substitute and vote down the main bill.

Mr. NADLER. Mr. Speaker, I yield 1¼ minutes to myself.

Mr. Speaker, churches have a role to play in the provision of social services, but Members should vote for the substitute to make sure that this bill does not establish employment discrimination with public funds, with preemption of State and local civil rights law, to make sure the bill provides offsets for the cost of the bill, to make sure that we protect participants from leadership coercion, and that we do not voucherize $47 billion worth of programs without congressional review.

Mr. SENSENBRENNER. Mr. Speaker, I yield the balance of my time to the gentleman from Oklahoma (Mr. WATTS).

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their efforts in getting this bill to the floor of the House today.

Mr. Speaker, let me clarify some things that have been said. We do not spend one dime of Social Security or Medicare money to pay for this bill. Nothing in this bill changes any of the civil rights laws. I, too, have been a beneficiary of civil rights law. We do not add or take away from the 1964 Civil Rights Act.

Mr. Speaker, we do not violate the artificial argument of church and State, because this bill is not about church or State. It is about people in the trenches every day having more resources to feed the hungry, to clothe the naked, to house the homeless, to help the drug and alcohol addicted.

This is not about funding faith. It is about people. It is about their hopes, their dreams, their ideas, their ambitions and, most importantly, their goodness. We do not fund churches, mosques, synagogues. We fund their compelling faith to assist those in need. This bill is about standing with people all over America who cannot afford to contribute to any of our campaigns. They cannot give money to some political party or political action committees. They just have a compelling love and a compelling faith to assist those people in their communities that need help.

□ 1500

We should work with them, not against those people in our legislative efforts.

It is fascinating to me the arguments that I have heard, and I too know of many black ministers who have fought for civil rights. Many of the black ministers who came here in April to the faith-based summit, they knew exactly what they were getting into. Just yesterday we got an endorsement letter from the Southern Christian Leadership Conference, an organization made up of many black ministers from around the country who stood in the civil rights effort. Rosa Parks, Catholic bishops, people from all walks of life, the Jewish community, all have supported this bill.

As the gentleman from North Carolina said, there are many people on both sides of this debate, both sides of the aisle, who are good people, who see the world differently, who say that we should allow all people that want to help, give them opportunities just to compete for the dollars. There is no preference. There is no set-aside. We just say faith-based organizations should have an opportunity to compete on a level playing field. Give them the opportunity to do what they do best. They do not get their names in the paper. They do not work a half a day. Yes, they work a half a day. They work the first 12 hours and somebody else works the other 12. They do not get their names in the paper, they do not get a lot of attention, they just love the people who have the same ZIP Code that they have in trying to meet their needs.

Vote ''no'' on the substitute. Vote ''yes'' on H.R. 7.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Democratic Substitute for the Community Solutions Act as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is Panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, ''Do unto others as you would have them do unto you.''

I have listened intently to the issues raised by my colleagues who are concerned about legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three Federal social programs: One, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; two, the Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration.

Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purposes by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that the crafters of this legislation (the Democratic Substitute) have taken note and forthrightly addressed these concerns.

We must be aware of the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs.

Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties.

It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, hopelessness is still rampart in our society. Take for example, if you will an ex-offender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society, creates the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that new occasions call for new truths, new situations make ancient remedies uncouth.

Well, I can tell you Mr. Speaker, the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the Mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin, sick souls.

After reading much of the material and listening to the debate, I am convinced that the activities covered and being promoted by this legislation are too broad to leave under the exemption of section 702 of the 1964 Civil

Rights Act which allows religious institutions to make employment decisions outside the protection of section 703 dealing with race, color, religion, or national origin; and then in 1972, the Equal Employment Opportunity Act of 1974, which broadened the scope of section 702 and permitted religious institutions to make religion-based employment decisions in all their activities, rather than just religious ones.

While the Republican bill correctly addresses race, color, and national origin, it is regrettably silent on the question of sexual orientation; thereby leaving a loophole which I find totally unacceptable.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions.

The Democratic substitute for H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

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

Mr. CONYERS. Mr. Speaker, when I was first elected to this body, if someone had told me that in the first year of he 21th century, the U.S. Congress would be on the verge of passing a bill making it lawful to discriminate with taxpayer funds, I wouldn't have believed them. I would have told them that too many had fought too long for us to backtrack in the battle against bigotry. Yet that is exactly what this bill does, and that is exactly what we are trying to undo with this Democratic substitute.

I am astonished the Bush Administration would fight so strenuously to extend the right to discriminate in employment on account of religion. If government funds truly will not be used in a non-sectarian manner—as the Administration claims—why in the world would we want to permit discrimination on the basis of religion? I've been asking this question for the last month, and have yet to receive any semblance of an adequate response.

Every Member in this body knows that cooking soup for the poor can be done equally well by persons of all religious beliefs. But the Administration has bent over so far backwards to make sure we do not discriminate against religious organizations, that somehow they forgot about protecting the actual people—the citizens—against discrimination.

This bill is so extreme it sanctions employment discrimination based on so-called ''tenets and teachings.'' This means a religious organization could use taxpayer funds to discriminate against gays and lesbians, against divorced persons, against unmarried pregnant women, against women who have had an abortion, and against persons involved in an interracial marriage.

If you can believe it, the bill gets even worse. The legislation not only sets aside federal civil rights laws, it goes as far as to eliminate state and local civil rights laws. That means if the voters of a state or city had decided as a matter of public policy that organizations utilizing taxpayer funds should not be permitted to discriminate, that law would be set aside under H.R. 7. This turns the principle of federalism completely on its head.

We shouldn't be surprised that the civil rights community is so strongly opposed to the bill. Just last week, Julian Bond, the Chairman of the NAACP, declared H.R. 7 will ''erase sixty years of civil rights protections.'' The NAACP Legal Defense Fund has written that charitable choice is ''wholly inconsistent with longstanding principle that federal moneys should not be used to discriminate in any form.'' The Leadership Conference on Civil Rights has stated in no uncertain terms that charitable choice will ''erode the fundamental principle of non-discrimination.''

If our President really wanted to bring us together, he wouldn't push this legislation which so strongly divides this body and our nation. He would work with us on a true bipartisan basis to expend the role of religion in a manner that protects civil rights. We can begin this effort by voting yes on the Democratic substitute.

Mrs. MEEK of Florida. Mr. Speaker, I rise in opposition to H.R. 7, the so-called ''Community Solutions Act'', and in support of the Rangel-Conyers substitute. I recognize and commend our country's religious organizations for the critical role that they play in meeting America's social welfare needs. We need to support their efforts and encourage them to do even more, but not at the expense of our civil rights laws or our Constitution.

I cannot support legislation that allow religious organizations to discriminate in employment on the basis of religion, that preempts state and local laws against discrimination, or that breaks down the historic separation between Church and State. Nor can I support the massive expansion of the use of vouchers contained in H.R. 7, an expansion that would allow the Administration to convert $47 billion in social service programs into vouchers and allow the recipients of such vouchers to discriminate against beneficiaries of such programs on account of their religion.

We should never support such a subterfuge that would allow religious organizations indirectly to achieve what they could not do directly, that is, to use funds for sectarian instruction, worship, or proselytizing. We can never accept a return to the days where we see ads that read: No Catholics or no Jews need apply. We simply cannot allow it.

The Rangel-Conyers substitute is the right approach to involving faith-based organizations in federal programs. The substitute provides that religious organizations receiving federal funds for social programs could not discriminate in employment on the basis of an employee's religion; prohibits any provision in the bill from superseding state or civil rights laws; prohibits religious organizations who provide federally funded programs from engaging in sectarian activities at the same time and place as the government funded program; and strikes the provision in the bill relating to governmental provision of indirect funds.

While many of the advocates of H.R. 7 are very well-intended, this legislation is a good example of the devil dressed as an angel of light. H.R. 7 includes provisions that sharply attack one of the oldest civil rights principles—that the federal government will not fund discriminate by others. The bill would allow religious groups that receive federal funds to discriminate in their hiring practices—not just for workers that they hire to help carry out religious activities funded by private contributions, but for workers hired to perform secular work with government funding.

We're not talking here about a provision to insure that a church does not have to hire a Jewish person to be a priest or a Catholic to be a rabbi. We're talking about a provision that would allow a religious organization not to hire a janitor because of that person's religious beliefs. This is an outrage!

For decades, there has been an effective relationship between government and religiously affiliated institutions for the provision of community-based social services. These organizations, such as Catholic Charities, Lutheran Services, United Jewish Communities and numerous others, separate religious activities from their social services offerings, follow all civil rights laws, follow all state and local rules and standards and do not discriminate in staffing. There is no reason to remove these effective safeguards.

Mr. Speaker, let's keep our eye on the ball and focus on the real problem. What we really need is legislation to authorize additional dollars for social service programs and then fund these programs properly, not the Bush Administration's cuts in juvenile delinquency programs, in job training, in public housing, in child care, and in Temporary Assistance to Needy Families (TANF).

Mr. Speaker, we can and must do better than H.R. 7. Let's preserve our historic commitment not to allow religious organizations to discriminate in employment on the basis of religion and preserve our Constitution's religious protections. Support the Rangel-Conyers substitute. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 196, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NADLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 168, nays 261, not voting 4, as follows:

[Roll No. 252]

YEAS—168

Abercrombie	Boswell	Cummings
Ackerman	Boucher	Davis (FL)
Allen	Boyd	Davis (IL)
Andrews	Brady (PA)	DeFazio
Baca	Brown (FL)	Delahunt
Baird	Brown (OH)	DeLauro
Baldacci	Capps	Deutsch
Baldwin	Capuano	Dicks
Barcia	Cardin	Dingell
Barrett	Carson (IN)	Dooley
Becerra	Carson (OK)	Doyle
Berkley	Clay	Edwards
Berman	Clayton	Eshoo
Bishop	Clyburn	Etheridge
Blagojevich	Condit	Evans
Blumenauer	Conyers	Farr
Bonior	Coyne	Fattah
Borski	Crowley	Filner

Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moran (VA)
Nadler
Napolitano
Neal
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Solis
Spratt
Stark
Stupak
Tanner
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—261

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McDermott
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Engel
Matsui
McKinney
Spence

□ 1530

Ms. GRANGER, Mrs. NORTHUP, Mrs. KELLY, Mr. BARTLETT of Maryland, Mr. HERGER and Mr. OBERSTAR changed their vote from ''yea'' to ''nay.''

Ms. RIVERS and Mr. HOLDEN changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1530

The SPEAKER pro tempore (Mr. LAHOOD). The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. CONYERS. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONYERS moves to recommit the bill H.R. 7 to the Committee on the Judiciary with instructions to report the same back to the House forthwith with the following amendments:

In title II, in the matter proposed to be inserted in the Revised Statutes of the United States as a section 1991—

(1) in subsection (e), strike the period after ''effect'' and insert '', except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated under such program, discriminate in employment on the basis of an employee's religion, religious belief, or a refusal to hold a religious belief.''; and

(2) insert after subsection (h) the following:

''(i) LOCAL CIVIL RIGHTS LAWS.—Notwithstanding anything to the contrary herein, nothing in this section shall preempt or supersede State or local civil rights laws.

Redesignate succeeding subsections accordingly.

Mr. CONYERS (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. CONYERS) for 5 minutes in support of his motion.

Mr. CONYERS. Mr. Speaker, I say to my colleagues, we have had a very instructive discourse here today and quite revealing, I believe. As a result, this motion to recommit would simply safeguard the Federal, State and local civil rights laws as they presently exist.

Mr. Speaker, bigotry and discrimination have been, unfortunately, our Nation's greatest curse for more than 210 years, and we should never, ever knowingly adopt legislation which would in any way worsen the problem, as the measure before us clearly does. So to my friends on the Republican side who urge that we might have created a more narrow motion, I say to them just this: It is just as wrong for the bill to set aside State and local civil rights laws as it is for the bill to set aside Federal civil rights laws.

We need to fix both problems, and we need to fix them now and not in conference or some day later. So let us all of us stop trying to divide our Nation by religion, by race, by ethnicity, by sexual orientation. Let us pass a motion that I think most of us can agree on so we can increase the role of religion without trampling on our precious civil rights.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee.

Mr. NADLER. Mr. Speaker, there has been a lot of confusion on this point, but the basic question on the facts are simple: Under current law, a church may discriminate on religious or other grounds using its own funds. Under this bill, a church can discriminate on religious grounds, on other grounds, on sexual grounds using its own funds and using government taxpayer funds. And if there are any local or State civil rights laws that say it cannot, this bill says, never mind, we supersede the State or local civil rights laws.

This motion to recommit is very simple. It says that with government funds, with taxpayer funds, one may not discriminate and one may not contravene Federal, State or local civil rights laws with government funds. With church funds, the law would be unchanged. One can still do that, but one cannot discriminate, one cannot say no blacks, no women, no Jews, no Catholics, whatever, with government taxpayer funds, period.

I hope everybody will vote for, one would assume, this elementary, antidiscrimination civil rights recommit motion.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, no American citizen should ever have to pass someone else's religious test to qualify for a federally funded job. No American, not one, should ever have to be fired from a federally funded job solely because of his or her religious faith. It is ironic that a bill that was designed supposedly to stop discrimination against religion ends up authorizing, and then subsidizing, religious discrimination.

Mr. Speaker, unless this motion to recommit is passed, a group associated with Bob Jones University could receive our Federal tax dollars and put out a sign that says, ''No Catholics need apply here for a federally funded job.'' That is wrong.

Say no to discrimination and yes to this motion to recommit.

Mr. CONYERS. Mr. Speaker, I yield the remainder of the time to the gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Speaker, as we listen to all of the programs that could be funded under this bill, remember that anything that can be funded under this bill can be funded today if the sponsor will abide by the civil rights laws. On June 25, 1941, President Roosevelt signed an Executive Order number 8802 which prohibited defense contractors from discriminating in employment based on race, color, creed or national origin. Civil rights laws of the 1960s put those protections into law. The vote was not unanimous, but the bills passed.

Since then, few have questioned whether or not sponsors of Federal programs could consider a person's religious beliefs or religious practices when they were hiring someone for a job paid for with Federal money. But here we are considering a bill with no new money, a bill which provides eligibility for funding only to those programs who are eligible for funding now, if one would comply with civil rights laws. That is not a barrier to funding.

Mr. Speaker, we do not need new ways to discriminate. Let us maintain our civil rights by passing the motion to recommit.

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER) for 5 minutes.

Mr. SENSENBRENNER. Mr. Speaker, make no mistake about it. This motion to recommit is more than a new preemption clause. It denies religious organizations, including churches, their current exemption from Title VII when they seek to take part in Federal programs to help others. It is not the motion to recommit we have been reading about. It is the motion to recommit we have been hearing about, plus an atomic bomb for faith-based organizations.

I repeat. This motion to recommit contains more than a preemption clause. It trumps the considered judgment of the Congress that passed the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith in order to remain churches under Federal law. I ask my colleagues to remember that when they vote.

Even Al Gore, during his campaign and in his speech to the Salvation Army, said that ''faith-based organizations can provide jobs and job training, counseling and mentoring, food and basic medical care. They can do so with public funds and without having to alter their religious character that is so often the key to their effectiveness.''

Again, the only way a church can retain its religious character is if it can staff itself with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered under H.R. 7 with the same staff they currently have, and that staff likely shares the same religious faith. The substitute would make it impossible for these small churches to contribute to Federal efforts against desperation and helplessness, and it is precisely these small churches that H.R. 7 intends to welcome into a laudable effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted nonprofit, private, religious organizations engaged in both religious and secular nonprofit activities from Title VII's prohibition on discrimination in employment on the basis of religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case.

Section 702 is not waived or forfeited when a religious organization receives Federal funding. No provision in section 702 states that its exemption of nonprofit, private, religious organizations from Title VII's prohibition on discrimination in employment is forfeited when a faith-based organization receives a Federal grant. But the substitute would do just that.

The motion to recommit would prevent Federal equal access rules from following Federal funds. Under this motion, States or localities could incorporate provisions into their procurement requirements that prohibit religious organizations from hiring on a religious basis when they take part in covered Federal programs. Such provisions thwart the very purpose of this legislation, which is to welcome the very smallest of organizations into the Federal fight against poverty.

I want to emphasize to everyone that the small churches of America will be providing the social services covered by H.R. 7 with the same staff they currently have, and that staff likely shares the same religious faith. State or local procurement requirements that deny them the right to retain the same staff will slam the door shut on their participation to the detriment of people in need everywhere.

Churches should be allowed to compete for Federal social service funds and remain churches while doing so. The only way a church can remain a church is to give them the right to staff itself with those that share their faith. Again, this is a bill that really puts the small churches in America in the midst of fighting poverty, helplessness and despair.

Mr. Speaker, I urge Members to vote down the motion to recommit. The only way we can expand the capacity of the Nation to meet the needs of the poor and afflicted is through H.R. 7. Only in this way can we help those with highly effective and efficient but small, faith-based organizations being in the mix.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think all Members of Congress of welcome the opportunity to search for new options to solve historically entrenched problems in all communities in the United States. Under established law, the Supreme Court requires a secular purpose to sustain the validity of legislation, and the eradication of social ills certainly affects all Americans. However, as we consider the possibility of allowing faith-based groups to compete for federal funding to eradicate social ills, we should be careful to recognize our limited powers in this area.

Mr. Speaker, James Madison, the father of the First Amendment, clearly understood the potential harms involved with the commingling of church and state when he stated that he ''apprehended the meaning of the [Establishment Clause] to be, that Congress should not establish a religion, and enforce the legal observation of it by law, nor compel men to worship God in any manner contrary to their conscience.'' 1 Annals of Cong. 758 (Gales & Seaton's ed. 1834) (Aug 15, 1789).

Mr. Speaker, Madison was concerned that without the Establishment Clause, the Necessary and Proper Clause of the Constitution might have enabled the Congress to ''make laws of such a nature as might infringe the rights of conscience, and establish a national religion; to prevent these he assumed the amendment was intended . . .'' because he ''believed that the people feared one sect might obtain pre-eminence, or two combine together, and establish a religion to which they would compel others to perform.'' Id.

We are therefore left with an irony of historical proportions today as we discuss H.R. 7, the Community Solutions Act of 2001.'' For as we begin our discussion of H.R. 7, I find that the Leadership has sponsored legislation contrary to both the intention of the first Amendment and its development in Supreme Court precedent.

Mr. Speaker, the United States has gained a full understanding of the First Amendment, and particularly its prohibitions on congressional activity toward religion and religious institutions, through the development of precedent in case law. Over the years the courts have struck a delicate balance between the competing tendencies of the Establishment Clause and the Free Exercise Clause.

Likewise, Mr. Speaker, this body has been diligent in its observance of the First Amendment's constitutional prohibitions on religion. With few exceptions, this body has diligently followed the directive established for the Court by Chief Justice Burger in *Walz* v. *Tax Commission of City of New York,* 397 U.S. 664 (1970):

The general principle deducible from the First Amendment and all that has been said by the Court is this: that we will not tolerate either governmentally established religion or governmental interefence with religion. Short of those expressly proscribed governmental acts there is room for play in the joints productive of a benevolent neutrality which will permit religious exercise to exist without sponsorship or interfence.

Mr. Speaker, it is this spirit that animates my concerns about H.R. 7, and thus compels me to speak against its passage in this form. Specifically, this legislation does not ensure that the delicate balance between church and state will be retained if the bill is allowed to pass in this form, for despite statements to the contrary, the bill might not pass either the effects test or the entanglement test of Supreme Court jurisprudence.

This bill does not provide assurances that the use of federal funds will not result in excessive entanglement with government bureaucracy and accounting and reporting requirements. The Leadership proposal dedicates funds to help sectarian organizations with accounting and administrative activities. Won't this have the same effect on promoting religion as a ''symbolic union government and religion in one sectarian enterprise?'' *Grand Rapids School District* v. *Ball,* 473 U.S. 373, 397 (1985). The mechanisms of this bill place the imprimatur of the Congress on impermissibly mingling church and state. This is the wrong message to send to the citizens of this country, who have entrusted us with the care of the document that sustains our democracy, the Constitution.

Also, by allowing federal agencies to convert funds into vouchers for religious organizations, the bill would unilaterally convert over $47 billion in social service programs that could be used for sectarian purposes including proselytization. Court cases such as *Roemer* v. *Maryland Public Works,* 426 U.S. 736 (1976), permitted subsidies to private colleges with sectarian affiliations only because they were not pervasively sectarian.

This is not the case with the organizations that will benefit from this bill. This legislation will turn the Court right back to the controlling case, *Lemon* v. *Kurtzman,* 403 U.S. 602 (1971). ''Comprehensive, discriminating, and continuing state surveillance will inevitably be required to ensure these restrictions are obeyed and the First Amendment otherwise respected.'' Id. at 619. In plain language, this bill simply requires too much oversight in a manner the Supreme Court never intended.

Mr. Speaker, it is also important to note that by not extending the religious exemption in the Civil Rights Act to include activities carried out under this subsection, the Congress would establish the possibility that organizations could discriminate on the basis of religion using federal funds. My conscience as a legislator cannot allow me to support this legislation for this reason alone.

This bill will allow religious groups to discriminate. Even more, it will chill the fight for civil rights for all Americans on both the state and local level, where great gains have been made in ensuring quality for all. I cannot stand the irony that the religious institutions of America, which were so influential in the civil rights movement, will be allowed to erode the equal protection laws the citizens of this nation fought and died for.

Mr. Speaker, the Democratic substitute to this legislation avoids these pitfalls. The substitute legislation specifies that the civil rights exemption is not extended to allow groups receiving funds to discriminate in employment with taxpayer funds. It also provides that state and local civil rights laws are not superceded by the act.

The substitute bill also provides an offset to the tax code's top rate to balance the charitable contribution increase. The rate raises the top tax rate by 0.2%.

Under this proposal, no proselytization can occur at the same time and place as a government funded program. The substitute also deletes the private voucher provisions that would provide agencies with $47 billion in discretionary funds, and deletes changes in tort reform that absolve businesses of liability.

The Democratic substitute is a better bill, Mr. Speaker. It pays heed to the words of Justice Burger and the precedents of the Supreme Court. I urge all members to vote against this measure and for the Democratic substitute.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on final passage.

The vote was taken by electronic device, and there were—ayes 195, noes 234, not voting 4, as follows:

[Roll No. 253]

AYES—195

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Shays
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—234

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley

Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Engel
McKinney
Meehan
Spence

□ 1601

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 233, nays 198, not voting 3, as follows:

[Roll No. 254]

YEAS—233

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—198

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—3

Engel
McKinney
Spence

□ 1611

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 7, the bill just passed.

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

There was no objection.

PERSONAL EXPLANATION

Mr. TIERNEY. Mr. Speaker, last evening, on rollcall vote No. 248, I want it to be in the RECORD that I was here and I did vote in favor of that bill. Unfortunately, there was a malfunction with the voting apparatus, apparently, and it did not record my vote.

CONFERENCE REPORT ON H.R. 2216, 2001 SUPPLEMENTAL APPROPRIATIONS ACT

Mr. YOUNG of Florida (during consideration of H.J. Res. 50) submitted the following conference report and statement on the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes:

CONFERENCE REPORT (H. REPT. 107–148)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) ''making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2001, and for other purposes, namely:

TITLE I—NATIONAL SECURITY MATTERS

CHAPTER 1

DEPARTMENT OF JUSTICE

RADIATION EXPOSURE COMPENSATION

PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND

For payment to the Radiation Exposure Compensation Trust Fund for approved claims, for fiscal year 2001, such sums as may be necessary.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $164,000,000.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $84,000,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $69,000,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $119,500,000.

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $52,000,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for ''Reserve Personnel, Air Force'', $8,500,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $6,000,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $12,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $792,400,000, of which $214,000,000 shall be made available only for the repair and maintenance of real property.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $1,024,100,000: Provided, That of the funds made available under this heading, $10,200,000 shall remain available for obligation until September 30, 2002.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $62,000,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $813,800,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $123,250,000: Provided, That of the funds made available under this heading, $6,800,000 shall remain available for obligation until September 30, 2002.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for ''Operation and Maintenance, Army Reserve'', $20,500,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for ''Operation and Maintenance, Navy Reserve'', $12,500,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for ''Operation and Maintenance, Marine Corps Reserve'', $1,900,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for ''Operation and Maintenance, Air Force Reserve'', $34,000,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Army National Guard'', $42,900,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Air National Guard'', $119,300,000.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army'', $7,000,000, to remain available for obligation until September 30, 2003.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Shipbuilding and Conversion, Navy'', $297,000,000: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amount specified: Provided further, That the amounts transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred:

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2001'':

Carrier Replacement Program, $84,000,000;

DDG–51 Destroyer Program, $300,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1996/2001'':

DDG–51 Destroyer Program, $14,600,000;

LPD–17 Amphibious Transport Dock Ship Program, $140,000,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1997/2001'':

DDG–51 Destroyer Program, $12,600,000; and

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2001'':

NSSN Program, $32,000,000;

DDG–51 Destroyer Program, $13,500,000.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $78,000,000, to remain available for obligation until September 30, 2003.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for ''Missile Procurement, Air Force'', $15,500,000, to remain available for obligation until September 30, 2003.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $31,200,000, to remain available for obligation until September 30, 2003.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for ''Other Procurement, Air Force'', $138,150,000, to remain available for obligation until September 30, 2003.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for ''Procurement, Defense-Wide'', $5,800,000, to remain available for obligation until September 30, 2003.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for ''Research, Development, Test and Evaluation, Army'', $5,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for ''Research, Development, Test and Evaluation, Navy'', $128,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for ''Research, Development, Test and Evaluation, Air Force'', $275,500,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for ''Research, Development, Test and Evaluation, Defense-Wide'', $84,100,000, to remain available for obligation until September 30, 2002.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for ''Defense Working Capital Funds'', $178,400,000, to remain available until expended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program'', $1,453,400,000 for Operation and maintenance, of which $500,000,000 shall remain available until September 30, 2002: Provided, That of the funds made available in this paragraph, not more than $655,000,000 may be made available for a global settlement of claims made under TRICARE managed care support contracts: Provided further, That of the funds made available in this paragraph, not less than $151,200,000 shall be made available upon enactment only for requirements of the direct care system and military medical treatment facilities, to be administered solely by the uniformed services Surgeons General: Provided further, That funds made available in this paragraph may be used to cover increases in costs associated with the provision of health care services to eligible beneficiaries of all the uniformed services.

For an additional amount for ''Defense Health Program'', $150,000,000 for Operation and maintenance, to remain available until expended, only for the use of the Surgeons General to improve the quality of care provided at military medical treatment facilities, of which $30,000,000 shall be made available only to optimize health care services at Army military medical treatment facilities, $30,000,000 shall be made available only to optimize health care services at Navy military medical treatment facilities, $30,000,000 shall be made available only to optimize health care services at Air Force military medical treatment facilities, $30,000,000 shall be made available only to finance advances in medical practices to be equally divided between the services, and $30,000,000 shall be made available for other requirements of the direct care system and military medical treatment facilities: Provided, That the funds provided in this paragraph are to be administered solely by the Army, Navy and Air Force Surgeons General: Provided further, That none of the funds provided in this paragraph may be made available for optimization programs, projects or activities unless the Surgeon General of the respective service determines that: (1) such program, project or activity shall produce annual cost savings in excess of annual cost within not more than three years from the date of project initiation, or (2) that such program, project or activity is necessary to address a serious health care deficiency at a military medical treatment facility that could threaten health care outcomes: Provided further, That none of the funds provided in this paragraph may be made available to a service unless the Secretary of Defense expresses the intent to the congressional defense committees that all optimization programs, projects and activities financed in this paragraph will be continued and fully financed in the Department of Defense six year budget plan known as the Program Objective Memorandum.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1201. Fuel transferred by the Defense Energy Supply Center to the Department of the Interior for use at Midway Island during fiscal year 2000 shall be deemed for all purposes to have been transferred on a nonreimbursable basis.

SEC. 1202. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

(INCLUDING TRANSFER OF FUNDS)

SEC. 1203. In addition to the amount appropriated in section 308 of Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of Public Law 106–554 (114 Stat. 2763A–181 and 182), $44,000,000 is hereby appropriated for ''Operation and Maintenance, Navy'', to remain available until expended: Provided, That such amount, and the amount previously appropriated in section 308, shall be for costs associated with the stabilization, return, refitting, necessary force protection upgrades, and repair of the U.S.S. COLE, including any costs previously incurred for such purposes:

Provided further, That the Secretary of Defense may transfer these funds to appropriations accounts for procurement: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That the transfer authority provided herein is in addition to any other transfer authority available to the Department of Defense.

(RESCISSIONS)

SEC. 1204. Of the funds made available in Department of Defense Appropriations Acts, or otherwise available to the Department of Defense, the following funds are hereby rescinded, from the following accounts in the specified amounts:

''Procurement, Marine Corps, 2000/2002'', $3,000,000;

''Overseas Contingency Operations Transfer Fund, 2001'', $200,000,000;

''Foreign Currency Fluctuations, Defense'', $68,400,000;

''Aircraft Procurement, Navy 2001/2003'', $199,000,000;

''Shipbuilding and Conversion, Navy, 2001/2005'', LPD–17(AP), $75,000,000;

''Procurement, Marine Corps, 2001/2003'', $5,000,000;

''Aircraft Procurement, Air Force, 2001/2003'', $327,500,000;

''Other Procurement, Air Force, 2001/2003'', $65,000,000;

''Procurement, Defense-Wide, 2001/2003'', $85,000,000; and

''Research, Development, Test and Evaluation, Defense-Wide, 2001/2002'', $7,000,000.

SEC. 1205. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 2001 (Public Law 106–259), $39,900,000 is hereby appropriated to the Department of Defense, for facilities repair and damages resulting from natural disasters, as follows:

''Operation and Maintenance, Army'', $6,500,000;

''Operation and Maintenance, Navy'', $23,000,000;

''Operation and Maintenance, Air Force'', $8,000,000;

''Operation and Maintenance, Army Reserve'', $200,000;

''Operation and Maintenance, Air Force Reserve'', $200,000;

''Operation and Maintenance, Army National Guard'', $400,000;

''Operation and Maintenance, Air National Guard'', $400,000; and

''Defense Health Program'', $1,200,000.

SEC. 1206. The authority to purchase or receive services under the demonstration project authorized by section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) may be exercised through January 31, 2002, notwithstanding subsection (c) of that section.

SEC. 1207. Notwithstanding any other provision of law, the Secretary of Defense may retain all or a portion of Fort Greely, Alaska as the Secretary deems necessary, to meet military, operational, logistics and personnel support requirements for missile defense.

SEC. 1208. Of the funds appropriated in the Department of Defense Appropriations Act, 2001, Public Law 106–259, in Title IV under the heading, ''Research, Development, Test and Evaluation, Navy'', $2,000,000 may be made available for a Maritime Fire Training Center at the Marine and Environmental Research and Training Station (MERTS), and $2,000,000 may be made available for a Maritime Fire Training Center at Barbers Point, including provision for laboratories, construction, and other efforts associated with research, development, and other programs of major importance to the Department of Defense.

SEC. 1209. Of the amounts appropriated in this Act under the heading ''Operation and Maintenance, Army'', $8,000,000 shall be available for the purpose of repairing storm damage at Fort Sill, Oklahoma, and Red River Army Depot, Texas.

SEC. 1210. (a) Notwithstanding any other provision of law, the Secretary of the Army shall convey to the City of Bayonne, New Jersey, without consideration, all right, title, and interest of the United States in and to the firefighting and rescue vehicles described in subsection (b).

(b) The firefighting and rescue vehicles referred to in subsection (a) are a rescue hazardous materials truck, a 2,000 gallon per minute pumper, and a 100-foot elevating platform truck, all of which are at Military Ocean Terminal, Bayonne, New Jersey.

SEC. 1211. None of the funds available to the Department of Defense for fiscal year 2001 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit, or the facility, to which assigned as of that date.

CHAPTER 3

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For an additional amount for ''Weapons Activities'', $126,625,000, to remain available until expended: Provided, That funding is authorized for Project 01–D–107, Atlas Relocation and Operations, and Project 01–D–108, Microsystems and Engineering Sciences Applications Complex.

OTHER DEFENSE RELATED ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For an additional amount for ''Defense Environmental Restoration and Waste Management'', $95,000,000, to remain available until expended.

DEFENSE FACILITIES CLOSURE PROJECTS

For an additional amount for ''Defense Facilities Closure Projects'', $21,000,000, to remain available until expended.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

For an additional amount for ''Defense Environmental Management Privatization'', $29,600,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For an additional amount for ''Other Defense Activities'', $5,000,000, to remain available until expended.

CHAPTER 4

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for ''Military Construction, Army'', $22,000,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, NAVY

For an additional amount for ''Military Construction, Navy'', $9,400,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for ''Military Construction, Air Force'', $10,000,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For an additional amount for ''Military Construction, Air National Guard'', $6,700,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

FAMILY HOUSING, ARMY

For an additional amount for ''Family Housing, Army'', $30,480,000 for operation and maintenance.

FAMILY HOUSING, NAVY AND MARINE CORPS

For an additional amount for ''Family Housing, Navy and Marine Corps'', $20,300,000 for operation and maintenance.

FAMILY HOUSING, AIR FORCE

For an additional amount for ''Family Housing, Air Force'', $18,000,000 for operation and maintenance.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV

For an additional amount for deposit into the ''Department of Defense Base Realignment and Closure Account 1990'', $9,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1401. (a) CADET PHYSICAL DEVELOPMENT CENTER.—Notwithstanding section 138 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 524), the Secretary of the Army may expend appropriated funds in excess of the amount specified by such section to construct and renovate the Cadet Physical Development Center at the United States Military Academy, except that—

(1) such additional expenditures may be used only for the purposes of meeting unanticipated price increases and related construction contingency costs and making minor changes to the project to incorporate design features that result in reducing long-term operating costs; and

(2) such additional expenditures may not exceed the difference between the authorized amount for the project and the amount specified in such section.

(b) LIMITATIONS AND REPORTS.—No sums may be expended for final phase construction of the project until 15 days after the Secretary of the Army submits a report to the congressional defense committees describing the revised cost estimates referred to in subsection (a), the methodology used in making these cost estimates, and the changes in project costs compared to estimates made in October, 2000. Not later than August 1, 2001, the Secretary of the Army shall submit a report to the congressional defense committees explaining the plan of the Department of the Army to expend privately donated funds for capital improvements at the United States Military Academy between fiscal years 2001 and 2011.

SEC. 1402. Except as otherwise specifically provided in this Chapter, amounts provided to the Department of Defense under each of the headings in this Chapter shall be made available for the same time period as the amounts appropriated under each such heading in Public Law 106–246.

(RESCISSIONS)

SEC. 1403. Of the funds provided in the Military Construction Appropriations Act, 2001 (Public Law 106–246), the following amounts are hereby rescinded as of the date of the enactment of this Act:

''Military Construction, Army'', $12,856,000;

''Military Construction, Navy'', $6,213,000;

''Military Construction, Air Force'', $4,935,000;

''Military Construction, Defense-Wide'', $4,376,000;

''Family Housing, Army'', $4,000,000; and

''Family Housing, Air Force'', $4,375,000.

SEC. 1404. Notwithstanding any other provision of law, the amount authorized, and authorized to be appropriated, for the Defense Agencies for the TRICARE Management Agency for

a military construction project for Bassett Army Hospital at Fort Wainwright, Alaska, shall be $215,000,000.

SEC. 1405. DESIGNATION OF ENGINEERING AND MANAGEMENT BUILDING AT NORFOLK NAVAL SHIPYARD, VIRGINIA, AFTER NORMAN SISISKY. The engineering and management building (also known as Building 1500) at Norfolk Naval Shipyard, Portsmouth, Virginia, shall be known as the Norman Sisisky Engineering and Management Building. Any reference to that building in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Norman Sisisky Engineering and Management Building.

TITLE II—OTHER SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

For an additional amount for ''Office of the Secretary'', $3,000,000, to remain available until September 30, 2002: Provided, That of these funds, no less than $1,000,000 shall be used for enforcement of the Animal Welfare Act: Provided further, That of these funds, no less than $1,000,000 shall be used to enhance humane slaughter practices under the Federal Meat Inspection Act: Provided further, That no more than $500,000 of these funds shall be made available to the Under Secretary for Research, Education and Economics for development and demonstration of technologies to promote the humane treatment of animals: Provided further, That these funds may be transferred to and merged with appropriations for agencies performing this work.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $5,000,000.

FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(RESCISSION)

Of the funds appropriated for ''Agricultural Conservation Program'' under Public Law 104–37, $45,000,000 are rescinded.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for ''Watershed and Flood Prevention Operations'', to repair damages to waterways and watersheds resulting from natural disasters, $35,500,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2101. Title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549, 1549A–10) is amended by striking ''until expended'' under the heading ''Buildings and Facilities'' under the heading ''Animal and Plant Health Inspection Service'' and adding the following: ''until expended: Provided, That notwithstanding any other provision of law (including chapter 63 of title 31, U.S.C.), $4,670,000 of the amount shall be transferred by the Secretary and once transferred, shall be state funds for the construction, renovation, equipment, and other related costs for a post entry plant quarantine facility and related laboratories as described in Senate Report 106–288''.

SEC. 2102. The paragraph under the heading ''Rural Community Advancement Program'' in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549, 1549A–17) is amended—

(1) in the third proviso, by striking ''ability of'' and inserting ''ability of low income rural communities and''; and

(2) in the fourth proviso, by striking ''assistance to'' the first place it appears and inserting ''assistance and to''.

SEC. 2103. (a) Not later than August 1, 2001, the Federal Crop Insurance Corporation shall promulgate final regulations to carry out section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 522(b)), without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 FR 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(b) In carrying out this section, the Corporation shall use the authority provided under section 808 of title 5, United States Code.

(c) The final regulations promulgated under subsection (a) shall take effect on the date of publication of the final regulations.

SEC. 2104. In addition to amounts otherwise available, $20,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 713a–4 for the Secretary of Agriculture to make available financial assistance to eligible producers to promote water conservation in the Klamath Basin, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act''): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2105. Under the heading ''Food Stamp Program'' in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387), in the sixth proviso, strike ''$194,000,000'' and insert in lieu thereof ''$191,000,000''.

SEC. 2106. Of funds which may be reserved by the Secretary for allocation to State agencies under section 16(h)(1) of the Food Stamp Act of 1977 to carry out the Employment and Training program, $39,500,000 made available in prior years are rescinded and returned to the Treasury.

SEC. 2107. In addition to amounts otherwise available, $2,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 713a–4 for the Secretary of Agriculture to make available financial assistance to eligible producers to promote water conservation in the Yakima Basin, Washington, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act''): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2108. (a) In addition to the payment of any other eligible expenses, the Secretary of Agriculture shall have the authority to approve the use of Commodity Credit Corporation funds pursuant to 15 U.S.C. 713a–4 to make available up to $22,949,000 of financial assistance for internal transportation, storage, and handling expenses, and for any appropriate administrative expenses as determined by the Secretary, for cooperating sponsors with which the Secretary has entered into agreements in fiscal year 2001 or 2002 under the Global Food for Education Initiative covered by the notice published by the Corporation in the Federal Register on September 6, 2000 (65 Fed. Reg. 53977 et seq.), for their activities under those agreements.

(b) The unobligated balance of the funds appropriated by section 745(e) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387) is rescinded.

CHAPTER 2

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL AND OCEAN ACTIVITIES

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of construction of a research center at the ACE Basin National Estuarine Research Reserve, for use under this heading until expended, $8,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $3,000,000, to remain available until expended for construction and $5,000,000, to remain available until expended for land acquisition.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM

(RESCISSION)

Of the funds made available in the Emergency Oil and Gas Guaranteed Loan Program Act (chapter 2 of Public Law 106–51; 113 Stat. 255–258), $114,800,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of technical assistance related to the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $30,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $30,000,000, to remain available until expended.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of guaranteed loans under the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $22,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $22,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2201. Section 144(d) of Division B of Public Law 106–554 is amended—

(1) in paragraph (1) and paragraph (5)(B) by striking ''not later than May 1, 2001'' and inserting in lieu thereof ''as soon as practicable'';

(2) in paragraph (2)(A) by striking ''for vessels'' and inserting in lieu thereof ''who hold such permits based on fishing histories'';

(3) in paragraph (2)(B)(i) by striking ''meets'' and inserting in lieu thereof ''is fishing under a permit that is issued based on fishing histories that meet'';

(4) in paragraph (2)(B)(i) by inserting '', provided that any interim Bering Sea crab fishery certificates issued after December 1, 2000 shall remain valid until the Secretary implements final regulations consistent with the provisions of this subparagraph'' after ''paragraph'';

(5) in paragraph (3) by striking ''the May 1, 2001 date'' and inserting in lieu thereof ''the direction to issue regulations as soon as practicable as'';

(6) in paragraph (3) by striking ''with that date''; and

(7) in paragraph (2)(A)(ii) by striking ''have made'' and inserting in lieu thereof ''except as specifically provided otherwise in the regulations described in clause (i), include''.

SEC. 2202. (a) Section 12102(c) of title 46, United States Code, as amended by section 202(a) of the American Fisheries Act (46 U.S.C. 12102 note), is amended—

(1) in paragraph (2)(B) by striking ''or the use'' and all that follows in such paragraph and inserting in lieu thereof ''or the exercise of rights under loan or mortgage covenants by a mortgagee eligible to be a preferred mortgagee under section 31322(a) of this title, provided that a mortgagee not eligible to own a vessel with a fishery endorsement may only operate such a vessel to the extent necessary for the immediate safety of the vessel or for repairs, drydocking or berthing changes.''; and

(2) by striking paragraph (4) and renumbering the remaining paragraph accordingly.

(b) Section 31322(a)(4) of title 46, United States Code, as amended by section 202(b) of the American Fisheries Act (Public Law 105–277, Division C, Title II) is amended by striking paragraph (4)(B) and all that follows in such paragraph and inserting in lieu thereof the following:

''(B) a state or federally chartered financial institution that is insured by the Federal Deposit Insurance Corporation;

''(C) a farm credit lender established under Title 12, Chapter 23 of the United States Code;

''(D) a commercial fishing and agriculture bank established pursuant to State law;

''(E) a commercial lender organized under the laws of the United States or of a State and eligible to own a vessel under section 12102(a) of this title; or

''(F) a mortgage trustee under subsection (f) of this section.''.

(c) Section 31322 of title 46, United States Code is amended by adding at the end the following new subsections:

''(f)(1) A mortgage trustee may hold in trust, for an individual or entity, an instrument or evidence of indebtedness, secured by a mortgage of the vessel to the mortgage trustee, provided that the mortgage trustee—

''(A) is eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section;

''(B) is organized as a corporation, and is doing business, under the laws of the United States or of a State;

''(C) is authorized under those laws to exercise corporate trust powers;

''(D) is subject to supervision or examination by an official of the United States Government or a State;

''(E) has a combined capital and surplus (as stated in its most recent published report of condition) of at least $3,000,000; and

''(F) meets any other requirements prescribed by the Secretary.

''(2) If the beneficiary under the trust arrangement is not a commercial lender, a lender syndicate or eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section, the Secretary must determine that the issuance, assignment, transfer, or trust arrangement does not result in an impermissible transfer of control of the vessel to a person not eligible to own a vessel with a fishery endorsement under section 12102(c) of this title.

''(3) A vessel with a fishery endorsement may be operated by a mortgage trustee only with the approval of the Secretary.

''(4) A right under a mortgage of a vessel with a fishery endorsement may be issued, assigned, or transferred to a person not eligible to be a mortgagee of that vessel under this section only with the approval of the Secretary.

''(5) The issuance, assignment, or transfer of an instrument or evidence of indebtedness contrary to this subsection is voidable by the Secretary.

''(g) For purposes of this section a 'commercial lender' means an entity primarily engaged in the business of lending and other financing transactions with a loan portfolio in excess of $100,000,000, of which not more than 50 per centum in dollar amount consists of loans to borrowers in the commercial fishing industry, as certified to the Secretary by such lender.

''(h) For purposes of this section a 'lender syndicate' means an arrangement established for the combined extension of credit of not less than $20,000,000 made up of four or more entities that each have a beneficial interest, held through an agent, under a trust arrangement established pursuant to subsection (f), no one of which may exercise powers thereunder without the concurrence of at least one other unaffiliated beneficiary.''.

(d) Section 31322 of title 46, United States Code as amended in this section, and as amended by section 202(b) of the American Fisheries Act (Public Law 105–277, Division C, Title II) shall not take effect until April 1, 2003, nor shall the Secretary of Transportation, in determining whether a vessel owner complies with the requirements of section 12102(c) of title 46, United States Code, consider the citizenship status of a lender, in its capacity as a lender with respect to that vessel owner, until after April 1, 2003.

(e)(1) Section 213(g) of the American Fisheries Act (Public Law 105–277, Division C, Title II) is amended by—

(A) striking ''October 1, 2001'' both places it appears;

(B) striking ''such date'' and inserting in lieu thereof ''or if the percentage of foreign ownership in the vessel is increased after the effective date of this subsection''; and

(C) striking ''such vessel'' the first time it appears and inserting ''their ownership or mortgage interest in such vessel on that date'' in lieu thereof.

(2) Section 213(g) of the American Fisheries Act (Public Law 105–277, Division C, Title II) shall take effect on the date of enactment of this Act.

SEC. 2203. (a) Section 20(a)(1) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

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

''(F) to pay for small business development center grants as mandated or directed by Congress.''.

(b) Section 21(a)(4)(C)(v)(II) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(v)(II), is amended by inserting '', or accompanying report language,'' after ''in appropriations Acts''.

SEC. 2204. Section 633 of Public Law 106–553 is amended with respect to a grant of $2,000,000 for Promesa Enterprises in the Bronx, New York, by inserting the words ''financially or otherwise'' after ''to assist community-based businesses''.

CHAPTER 3

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

For a Federal contribution to the Chief Financial Officer of the District of Columbia for the Excel Institute Adult Education Program, $1,000,000, of which $250,000 shall be derived by transfer from the appropriation ''Federal Payment for Plan to Simplify Employee Compensation Systems'' in the District of Columbia Appropriations Act, 2001 (Public Law 106–522; 114 Stat. 2444).

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for ''Governmental Direction and Support'', $5,400,000 from local funds for increases in natural gas costs.

Of the funds appropriated under this heading for the fiscal year ending September 30, 2001, in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522; 114 Stat. 2447), $250,000 to simplify employee compensation systems are rescinded.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for ''Economic Development and Regulation'', $1,000,000 from local funds for the implementation of the New E-Conomy Transformation Act of 2000, (D.C. Act 13–543), and $624,820 for the Department of Consumer and Regulatory Affairs for the purposes of D.C. Code, sec. 5–513: Provided, That the Department shall transfer all local funds resulting from the lapse of personnel vacancies, caused by transferring Department of Consumer and Regulatory Affairs employees into Neighborhood Stabilization Officer positions without the filling of the resultant vacancies, into the general fund, of these funds an amount not to exceed $60,000 may be used to implement the provisions in D.C. Bill 13–646, the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, pertaining to the prevention of the demolition by neglect of historic properties: Provided further, That the fees established and collected pursuant to D.C. Bill 13–646 shall be identified, and an accounting provided, to the Committee on Consumer and Regulatory Affairs of the Council of the District of Columbia.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for ''Public Safety and Justice'', $8,901,000 from local funds to be allocated as follows: $2,800,000 is for the Metropolitan Police Department of which $800,000 is for the speed camera program and $2,000,000 is for the Fraternal Order of Police arbitration award and the Fair Labor Standards Act liability; $5,940,000 is for the Fire and Emergency Medical Services Department of which $5,540,000 is for pre-tax payments for pension, health and life insurance premiums and $400,000 is for the fifth fire fighter on trucks initiative; and $161,000 is for the Child Fatality Review Committee established pursuant to the Child Fatality Review Committee Establishment Emergency Act of 2001 (D.C. Act 14–40) and the Child Fatality Review Committee Establishment Temporary Act of 2001 (D.C. Bill 14–165).

In addition, of all funds in the District of Columbia Antitrust Fund established pursuant to section 2 of the District of Columbia Antitrust Act of 1980 (D.C. Law 3–169; D.C. Code, sec. 28–4516) an amount not to exceed $52,000, of all funds in the Antifraud Fund established pursuant to section 820 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6–85; D.C. Code, sec. 1–1188.20) an amount not to exceed $5,500, and of all funds in the District of Columbia Consumer Protection Fund established pursuant to section 1402 of the District of Columbia Budget Support Act for Fiscal Year 2001 (D.C. Law 13–172; D.C. Code, sec. 28–3911) an amount not to exceed $43,000, are hereby made available for the use of the Office of the Corporation Counsel of the District of Columbia until September 30, 2001, in accordance with the statutes that established these funds.

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522), $131,000 for Taxicab Inspectors are rescinded.

PUBLIC EDUCATION SYSTEM

For an additional amount for ''Public Education System'', $1,000,000 from local funds for the State Education Office for a census-type audit of the student enrollment of each District of Columbia Public School and of each public charter school and $12,000,000 from local funds for the District of Columbia Public Schools to conduct the 2001 summer school session.

In addition, section 108(b) of the District of Columbia Public Education Act, Public Law 89–791 as amended (sec. 31–1408, D.C. Code), is amended by adding a new sentence at the end of the subsection, which states: ''In addition, any proceeds and interest accruing thereon, which remain from the sale of the former radio station WDCU in an escrow account of the District of Columbia Financial Management and Assistance Authority for the benefit of the University of the District of Columbia, shall be used for the University of the District of Columbia's Endowment Fund. Such proceeds may be invested in equity based securities if approved by the Chief Financial Officer of the District of Columbia.''.

HUMAN SUPPORT SERVICES

For an additional amount for ''Human Support Services'', $28,000,000 from local funds to be allocated as follows: $15,000,000 for expansion of the Medicaid program; $4,000,000 to increase the local share for Disproportionate Share to Hospitals (DSH) payments; $3,000,000 for the Disability Compensation Fund; $1,000,000 for the Office of Latino Affairs for Latino Community Education grants; and $5,000,000 for the Children Investment Trust.

PUBLIC WORKS

For an additional amount for ''Public Works'', $131,000 from local funds for Taxicab Inspectors.

FINANCING AND OTHER USES

WORKFORCE INVESTMENTS

For expenses associated with the workforce investments program, $40,500,000 from local funds.

WILSON BUILDING

For an additional amount for ''Wilson Building'', $7,100,000 from local funds.

ENTERPRISE AND OTHER FUNDS

WATER AND SEWER AUTHORITY AND THE WASHINGTON AQUEDUCT

For an additional amount for ''Water and Sewer Authority and the Washington Aqueduct'', $2,151,000 from local funds for the Water and Sewer Authority for initiatives associated with complying with stormwater legislation and proposed right-of-way fees.

GENERAL PROVISION—THIS CHAPTER

SEC. 2301. REPORT BY THE MAYOR. The Mayor of the District of Columbia shall provide the House and Senate Committees on Appropriations, the Senate Committee on Governmental Affairs and the House Committee on Government Reform with a report on the specific authority necessary to carry out the responsibilities transferred to the Chief Financial Officer in a non-control year, outlined in section 155 of Public Law 106–522, the Fiscal Year 2001 District of Columbia Appropriations Act, and responsibilities outlined in Bill 14–254, passed by the Council of the District of Columbia on July 10, 2001 relating to the transition of responsibilities under Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995, within forty-five (45) days of enactment of this Act.

CHAPTER 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For an additional amount for ''Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee'', for emergency expenses due to flooding and other natural disasters, $9,000,000, to remain available until expended.

OPERATION AND MAINTENANCE, GENERAL

For an additional amount for ''Operation and Maintenance, General'', $86,500,000, to remain available until expended: Provided, That using $8,000,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to repair, restore, and clean up Corps' projects and facilities, dredge navigation channels, restore and clean out area streams, provide emergency streambank protection, restore other crucial public infrastructure (including sewer and water facilities), document flood impacts, and undertake other flood recovery efforts deemed necessary and advisable by the Chief of Engineers due to the July 2001 flooding in Southern and Central West Virginia: Provided further, That using $1,900,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake the project authorized by section 518 of Public Law 106–53, at full Federal expense.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act of August 18, 1941, as amended, $50,000,000, to remain available until expended.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

For an additional amount for ''Non-Defense Environmental Management'', $11,950,000, to remain available until expended.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

For an additional amount for ''Uranium Facilities Maintenance and Remediation'', $30,000,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For an additional amount for ''Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration'', $1,578,000, to remain available until expended: Provided, That these funds shall be non-reimbursable.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2401. Of the amounts appropriated under the heading ''Operation and Maintenance, General'' under title I of the Energy and Water Development Appropriations Act, 2001 (enacted by Public Law 106–377; 114 Stat. 1441 A–62), $500,000 made available for the Chickamauga Lock, Tennessee, shall be available for completion of the feasibility study for Chickamauga Lock, Tennessee.

SEC. 2402. AUTHORIZATION TO ACCEPT PREPAYMENT OF OBLIGATIONS. (a) IN GENERAL.—Notwithstanding section 213 of the Reclamation Reform Act of 1982 (43 U.S.C. 390mm), the Bureau of Reclamation may accept prepayment for all remaining repayment obligations under Contract I78r–423, Amendment 4 (referred to in this section as the ''Contract'') entered into with the United States.

(b) CONTRACTUAL OBLIGATIONS.—If full prepayment of all remaining repayment obligations under the Contract is offered—

(1) the Secretary of the Interior shall accept the prepayment; and

(2) on acceptance by the Secretary of the prepayment all land covered by the Contract shall not be subject to the ownership and full cost pricing limitation under Federal reclamation law (the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.)).

SEC. 2403. INCLUSION OF RENAL CANCER AS BASIS FOR BENEFITS UNDER THE ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT OF 2000. (a) Section 3621(17) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (title XXXVI of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–502)) is amended by adding at the end the following new subparagraph:

''(C) Renal cancers.''.

(b) This section shall be effective on October 1, 2001.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

(INCLUDING RESCISSION)

For an additional amount for ''Child Survival and Disease Programs Fund'', $100,000,000, to remain available until expended: Provided, That this amount may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

Of the funds made available under this heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

OTHER BILATERAL ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds made available under this heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

GENERAL PROVISION—THIS CHAPTER

SEC. 2501. The final proviso in section 526 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (as enacted into law by section 1000(a)(2) of Public Law 106–113), as amended, is hereby repealed, and the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public law 106–429.

CHAPTER 6

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For an additional amount for ''Management of Lands and Resources'', $3,000,000, to remain available until expended, to address increased permitting responsibilities related to energy needs.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

For an additional amount for ''Construction'', $17,700,000, to remain available until expended, to repair damages caused by floods, ice storms, and earthquakes in the States of Washington, Illinois, Iowa, Minnesota, Missouri, Wisconsin, New Mexico, Oklahoma, and Texas.

NATIONAL PARK SERVICE

UNITED STATES PARK POLICE

For an additional amount for ''United States Park Police'', $1,700,000, to remain available until September 30, 2002, for unbudgeted increases in pension costs for retired United States Park Police officers.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for ''Operation of Indian Programs'', $50,000,000, to remain available until expended, for electric power operations and related activities at the San Carlos Irrigation Project, of which such amounts as necessary may be transferred to other appropriations accounts for repayment of advances previously made for such power operations.

RELATED AGENCY

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

For an additional amount for ''Forest and Rangeland Research'', $1,400,000, to remain

available until expended, to carry out research and development activities to arrest, control, eradicate, and prevent the spread of sudden oak death syndrome.

STATE AND PRIVATE FORESTRY

For an additional amount for ''State and Private Forestry'', $22,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas, Oklahoma, and Texas, and for emergency pest suppression and prevention on Federal, State and private lands.

For an additional amount for ''State and Private Forestry'', $750,000 to be provided to the Kenai Peninsula Borough Spruce Bark Beetle Task Force for emergency response and $1,750,000 to be provided to the Municipality of Anchorage for emergency fire fighting response and preparedness to respond to wildfires in spruce bark beetle infested forests, to remain available until expended: Provided, That such amounts shall be provided as direct lump sum payments within 30 days of enactment of this Act.

NATIONAL FOREST SYSTEM

For an additional amount for ''National Forest System'', $12,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas and Oklahoma and to address illegal cultivation of marijuana in California and Kentucky.

CAPITAL IMPROVEMENT AND MAINTENANCE

(INCLUDING RESCISSION)

Of the funds appropriated in Title V of Public Law 105–83 for the purposes of section 502(e) of that Act, the following amounts are rescinded: $1,000,000 for snow removal and pavement preservation and $4,000,000 for pavement rehabilitation.

For an additional amount for ''Capital Improvement and Maintenance'', $5,000,000, to remain available until expended, for the purposes of section 502(e) of Public Law 105–83.

For an additional amount for ''Capital Improvement and Maintenance'' to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $4,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2601. Of the funds appropriated to ''Operation of the National Park System'' in Public Law 106–291, $200,000 for completion of a wilderness study at Apostle Islands National Lakeshore, Wisconsin, shall remain available until expended.

SEC. 2602. (a) The unobligated balances as of September 30, 2001, of the funds transferred to the Secretary of the Interior pursuant to section 311 of chapter 3 of division A of the Miscellaneous Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for maintenance, protection, or preservation of the land and interests in land described in section 3 of the Minuteman Missile National Historic Site Establishment Act of 1999 (Public Law 106–115), are rescinded.

(b) Subsection (a) shall be effective on September 30, 2001.

(c) The amount rescinded pursuant to subsection (a) is appropriated to the Secretary of the Interior for the purposes specified in such subsection, to remain available until expended.

SEC. 2603. Pursuant to title VI of the Steens Mountain Cooperative Management and Protection Act, Public Law 106–399, the Bureau of Land Management may transfer such sums as are necessary to complete the individual land exchanges identified under title VI from unobligated land acquisition balances.

SEC. 2604. Section 338 of Public Law 106–291 is amended by striking ''105–825'' and inserting in lieu thereof: ''105–277''.

SEC. 2605. Section 2 of Public Law 106–558 is amended by striking subsection (b) in its entirety and inserting in lieu thereof:

''(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.''.

SEC. 2606. Federal Highway Administration emergency relief for federally-owned roads, made available to the Forest Service as Federal-aid highways funds, may be used to reimburse Forest Service accounts for expenditures previously completed only to the extent that such expenditures would otherwise have qualified for the use of Federal-aid highways funds.

SEC. 2607. Notwithstanding any other provision of law, $2,000,000 provided to the Forest Service in Public Law 106–291 for the Region 10 Jobs in the Woods program shall be advanced as a direct lump sum payment to Ketchikan Public Utilities within thirty days of enactment: Provided, That such funds shall be used by Ketchikan Public Utilities specifically for hiring workers for the purpose of removing timber within the right-of-way for the Swan Lake-Lake Tyee Intertie.

SEC. 2608. Section 122(a) of Public Law 106–291 is amended by:

(1) inserting ''hereafter'' after ''such amounts''; and

(2) striking ''June 1, 2000'' and inserting ''June 1 of the preceding fiscal year''.

SEC. 2609. Section 351 of Public Law 105–277 is amended by striking ''prior to September 30, 2001'' and inserting in lieu thereof: ''prior to September 30, 2004''.

CHAPTER 7

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING RESCISSIONS)

For an additional amount to carry out chapter 4 of the Workforce Investment Act, $25,000,000 to be available for obligation for the period April 1, 2001 through June 30, 2002.

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), $65,000,000 are rescinded including $25,000,000 available for obligation for the period April 1, 2001 through June 30, 2002 to carry out section 169 of the Workforce Investment Act, and $40,000,000 available for obligation for the period July 1, 2001 through June 30, 2002 for Safe Schools/Healthy Students and Incumbent Workers.

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), for Dislocated Worker Employment and Training Activities, $177,500,000 available for obligation for the period July 1, 2001 through June 30, 2002 are rescinded: Provided, That, notwithstanding any other provision of law, $110,000,000 is from amounts allotted under section 132(a)(2)(B), and $67,500,000 is from the National Reserve under section 132(a)(2)(A) of the Workforce Investment Act: Provided further, That notwithstanding any other provision of law, the Secretary shall reduce each State's program year 2001 allotment under section 132(a)(2)(B) by applying an allocation methodology that distributes the rescission based on each State's share of unexpended balances as of June 30, 2001: Provided further, That the effective date of the rescission shall be at the time the Secretary determines, based on the best information available, each State's unexpended balance as of June 30, 2001.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), $490,000 are authorized to remain available through September 30, 2002.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$226,224,000'' and inserting ''$224,724,000''.

The provision for Northeastern University is amended by striking ''doctors'' and inserting ''allied health care professionals''.

NATIONAL INSTITUTES OF HEALTH

(INCLUDING TRANSFER OF FUNDS)

Of the amount appropriated in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for the National Library of Medicine, $7,115,000 is hereby transferred to Buildings and Facilities, National Institutes of Health, for purposes of the design of a National Library of Medicine facility.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out the Public Health Service Act with respect to mental health services, $6,500,000 for maintenance, repair, preservation, and protection of the Federally owned facilities, including the Civil War Cemetery, at St. Elizabeths Hospital, which shall remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

For an additional amount for ''Low Income Home Energy Assistance'' under section 2602(e) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621(e)), $300,000,000, to remain available until expended: Provided, That these funds are for the home energy assistance needs of one or more States, as authorized by section 2604(e) of that Act and notwithstanding the designation requirement of section 2602(e) of such Act.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Technology Innovation Challenge Grants under the heading ''Education Reform'', the amount specified for Western Kentucky University to improve teacher preparation programs that help incorporate technology into the school curriculum shall be deemed to be $400,000.

EDUCATION FOR THE DISADVANTAGED

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$7,332,721,000'' and inserting ''$7,237,721,000''.

For an additional amount (to the corrected amount under this heading) for ''Education for the Disadvantaged'' to carry out part A of title I of the Elementary and Secondary Education Act of 1965 in accordance with the eighth proviso under that heading, $161,000,000, which shall become available on July 1, 2001, and shall remain available through September 30, 2002.

IMPACT AID

Of the $12,802,000 available under the heading ''Impact Aid'' in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for construction under section 8007 of the Elementary and Secondary Education Act of 1965,

$6,802,000 shall be used as directed in the first proviso under that heading, and the remaining $6,000,000 shall be distributed to eligible local educational agencies under section 8007, as such section was in effect on September 30, 2000.

SPECIAL EDUCATION

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Special Education Research and Innovation under the heading ''Special Education'', the provision for training, technical support, services and equipment through the Early Childhood Development Project in the Mississippi Delta Region shall be applied by substituting ''Easter Seals—Arkansas'' for ''the National Easter Seals Society''.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$139,624,000'' and inserting ''$139,853,000''.

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to the Fund for the Improvement of Education under the heading ''Education Research, Statistics and Improvement''—

(1) the aggregate amount specified shall be deemed to be $139,853,000;

(2) the amount specified for the National Mentoring Partnership in Washington, DC for establishing the National E-Mentoring Clearinghouse shall be deemed to be $461,000; and

(3) the provision specifying $1,275,000 for one-to-one computing shall be deemed to read as follows:

''$1,275,000—NetSchools Corporation, to provide one-to-one e-learning pilot programs for Dover Elementary School in San Pablo, California, Belle Haven Elementary School in East Menlo Park, California, East Rock Magnet School in New Haven, Connecticut, Reid Elementary School in Searchlight, Nevada, and McDermitt Combined School in McDermitt, Nevada;''.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2701. (a) Section 117 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2327) is amended—

(1) in subsection (a), by inserting ''that are not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)'' after ''institutions'';

(2) in subsection (b), by adding ''institutional support of'' after ''for'';

(3) in subsection (d), by inserting ''that is not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)'' after ''institution''; and

(4) in subsection (e)(1)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding at the end the following:

''(D) institutional support of vocational and technical education.''.

(b) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall take effect on the date of enactment of this section.

(2) The amendments made by subsection (a) shall apply to grants made for fiscal year 2001 only if this section is enacted before August 4, 2001.

SEC. 2702. CORPORATION FOR PUBLIC BROADCASTING AUTHORIZATION OF APPROPRIATIONS.—Subsection (k)(1) of section 396 of the Communications Act of 1934 (47 U.S.C. 396) is amended—

(1) by re-designating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D) In addition to any amounts authorized under any other provision of this or any other Act to be appropriated to the Fund, $20,000,000 are hereby authorized to be appropriated to the Fund (notwithstanding any other provision of this subsection) specifically for transition from the use of analog to digital technology for the provision of public broadcasting services for fiscal year 2001.''.

SEC. 2703. IMPACT AID. (a) LEARNING OPPORTUNITY THRESHOLD PAYMENTS.—Section 8003(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(3)(B)(iv)) (as amended by section 1806(b)(2)(C) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106–398)) is amended by inserting ''or less than the average per-pupil expenditure of all the States'' after ''of the State in which the agency is located''.

(b) FUNDING.—The Secretary of Education shall make payments under section 8003(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 from the $882,000,000 available under the heading ''Impact Aid'' in title III of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for basic support payments under section 8003(b).

CHAPTER 8

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Rhonda B. Sisisky, widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, $145,100.

For payment to Barbara Cheney, heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts, $145,100.

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the House of Representatives, $61,662,000, as follows:

MEMBERS' REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT, COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

For an additional amount for Members' Representational Allowances, Standing Committees, Special and Select, Committee on Appropriations, and Allowances and Expenses, $44,214,000, with any allocations to such accounts subject to approval by the Committee on Appropriations of the House of Representatives: Provided, That $9,776,000 of such amount shall remain available for such salaries and expenses until December 31, 2002.

SALARIES, OFFICERS AND EMPLOYEES

For an additional amount for compensation and expenses of officers and employees, as authorized by law, $17,448,000, including: for salaries and expenses of the Office of the Clerk, $3,150,000; and for salaries and expenses of the Office of the Chief Administrative Officer, $14,298,000, of which $11,181,000 shall be for salaries, expenses, and temporary personal services of House Information Resources and $3,000,000 shall be for separate upgrades for committee rooms: Provided, That $500,000 of the funds provided to the Office of the Chief Administrative Officer for separate upgrades for committee rooms may be transferred to the Office of the Architect of the Capitol for the same purpose, subject to the approval of the Committee on Appropriations of the House of Representatives: Provided further, That all of the funds provided under this heading shall remain available until expended.

ADMINISTRATIVE PROVISION

SEC. 2801. (a) The Legislative Branch Appropriations Act, 2001 (as enacted into law by reference under section 1(a)(2) of the Consolidated Appropriations Act, 2001; Public Law 106–554), is amended in the item relating to ''HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—SALARIES, OFFICERS AND EMPLOYEES'' by striking ''not more than $3,500, of which not more than $2,500 is for the Family Room'' and inserting ''not more than $11,000, of which not more than $10,000 is for the Family Room''.

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2001.

JOINT ITEMS

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For an additional amount for the Capitol Police Board for salaries of officers, members and employees of the Capitol Police, including overtime and Government contributions for health, retirement, Social Security, and other applicable employee benefits, $514,000, of which $257,000 is provided to the Sergeant at Arms of the House of Representatives, to be disbursed by the Chief Administrative Officer of the House, and $257,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate: Provided, That of the amounts appropriated under this heading, such amounts as may be necessary may be transferred between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate.

GENERAL EXPENSES

For an additional amount for the Capitol Police Board for necessary expenses of the Capitol Police, including security equipment and installation, supplies, materials, and meals, beverages and water for officers or civilian employees of the Capitol Police while performing duties during an extraordinary event or emergency response incident as determined by the Capitol Police Board, $486,000, to be disbursed by the Capitol Police Board or their delegee, to remain available until September 30, 2002.

ADMINISTRATIVE PROVISION

SEC. 2802. (a)(1) Any funds received by the Capitol Police as reimbursement for law enforcement assistance from any Federal, State, or local government agency (including any agency of the District of Columbia) shall be deposited in the United States Treasury for credit to the appropriation for ''GENERAL EXPENSES'' under the heading ''CAPITOL POLICE BOARD'', or ''SECURITY ENHANCEMENTS'' under the heading ''CAPITOL POLICE BOARD''.

(2) Funds deposited under this subsection may be expended by the Capitol Police Board for any authorized purpose, including overtime pay expenditures relating to law enforcement assistance to any Federal, State, or local government agency (including any agency of the District of Columbia), and shall remain available until expended.

(b) This section shall take effect on the date of enactment of this Act and shall apply to fiscal year 2001 and each fiscal year thereafter.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), $35,000.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For an additional amount for authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $9,900,000.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

For payment to the Government Printing Office Revolving Fund, $6,000,000, to remain available until expended, for air-conditioning and lighting systems.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses, Library of Congress, $600,000, to remain available until expended, for a collaborative Library of Congress telecommunications project with the United States Military Academy.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2803. Section 101(a) of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6(a)) is amended—

(1) by inserting after the second sentence the following: ''The President pro tempore emeritus of the Senate is authorized to appoint and fix the compensation of one individual consultant, on a temporary or intermittent basis, at a daily rate of compensation not in excess of that specified in the first sentence of this subsection.''; and

(2) in the last sentence by inserting ''President pro tempore emeritus,'' after ''President pro tempore,''.

SEC. 2804. The Abraham Lincoln Bicentennial Commission Act, Public Law 106–173, February 25, 2000 is hereby amended in section 7 by striking subsection (e) and inserting the following:

''(e) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Librarian of Congress shall provide to the Commission, on a reimbursable basis, administrative support services necessary for the Commission to carry out its responsibilities under this Act, including disbursing funds available to the Commission, and computing and disbursing the basic pay for Commission personnel.''.

SEC. 2805. Notwithstanding any limitation in 31 U.S.C. sec. 1553(b) and 1554, the Architect of the Capitol may use current year appropriations to reimburse the Department of the Treasury for prior year water and sewer services payments otherwise chargeable to closed accounts.

SEC. 2806. That notwithstanding any other provision of law, and specifically section 5(a) of the Employment Act of 1946 (15 U.S.C. 1024(a)), the Members of the Senate to be appointed by the President of the Senate shall for the duration of the One Hundred Seventh Congress, be represented by six Members of the majority party and five Members of the minority party.

CHAPTER 9

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

RENTAL PAYMENTS

(RESCISSION)

Of the available balances under this heading, $440,000 are rescinded.

COAST GUARD

OPERATING EXPENSES

For an additional amount for ''Operating expenses'', $92,000,000, to remain available until September 30, 2002.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For an additional amount for ''Acquisition, Construction, and Improvements'', $4,000,000, to remain available until expended, for the repair of Coast Guard facilities damaged during the Nisqually earthquake or for costs associated with moving the affected Coast Guard assets to an alternative site within Seattle, Washington.

(RESCISSION)

Of the amounts made available under this heading in Public Law 106–69 and Public Law 106–346, $12,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 48103, as amended, $30,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

For the costs associated with the long term improvement, restoration, or replacement of highways including seismically-vulnerable highways recently damaged during the Nisqually earthquake, $27,600,000, to be derived from the Highway Trust Fund, other than the Mass Transit Account, and to remain available until expended: Provided, That of the amount made available under this head, $3,800,000 shall be for the Alaskan Way Viaduct in Seattle, Washington; $9,000,000 shall be for the Magnolia Bridge in Seattle, Washington; $9,100,000 shall be for U.S. 119 over Pine Mountain in Letcher County, Kentucky; $4,700,000 shall be for the Lake Street Access to I–35 West project in Minneapolis, Minnesota; $500,000 shall be for the Interstate 55 interchange project at Weaver Road and River Des Peres in Missouri; and $500,000 shall be for damage resulting from tornadoes, flooding and icestorms in northwest Wisconsin including Bayfield and Douglas counties.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSIONS)

Of the unobligated balances made available under Public Law 94–280, Public Law 95–599, Public Law 97–424, Public Law 100–17, Public Law 101–516, Public Law 102–143, Public Law 102–240, and Public Law 103–311, $15,918,497 are rescinded.

RELATED AGENCY

UNITED STATES-CANADA RAILROAD COMMISSION

For necessary expenses of the joint United States-Canada Railroad Commission to study the feasibility of connecting the rail system in Alaska to the North American continental rail system, $2,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2901. (a) Item 143 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–456) is amended by striking ''Northern New Mexico park and ride facilities'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

(b) Item 167 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106–69; 113 Stat. 1006) is amended by striking ''Northern New Mexico Transit Express/Park and Ride buses'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

CHAPTER 10

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'' to reimburse any agency of the Department of the Treasury or other Federal agency for costs of providing operational and perimeter security at the 2002 Winter Olympics in Salt Lake City, Utah, $59,956,000, to remain available until September 30, 2002.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $49,576,000, to remain available through September 30, 2002.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For an additional amount for ''Processing, Assistance, and Management'', $66,200,000, to remain available through September 30, 2002.

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Of the funds made available under this heading in H.R. 5658 of the 106th Congress, as incorporated by reference in Public Law 106–554, up to $1,000,000 may be transferred and made available for necessary expenses incurred pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5604(7)), to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 21001. Section 413 of H.R. 5658, as incorporated by reference in Public Law 106–554, is amended to read as follows:

''SEC. 413. DESIGNATION OF THE PAUL COVERDELL BUILDING. The recently-completed classroom building constructed on the Core Campus of the Federal Law Enforcement Training Center in Glynco, Georgia, shall be known and designated as the 'Paul Coverdell Building'.''.

SEC. 21002. Of unobligated balances as of September 30, 2000, appropriated in, and further authorized through section 511 of Public Law 106–58, and under the headings, ''Internal Revenue Service, Processing, Assistance, and Management'', ''Tax Law Enforcement'', and ''Earned Income Tax Compliance'', $18,000,000 is hereby rescinded, effective September 30, 2001, as follows: $9,805,000 from ''Processing, Assistance, and Management'', $6,952,000 from ''Tax Law Enforcement'', and $1,243,000 from ''Earned Income Tax Credit Compliance Initiative''.

CHAPTER 11

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for ''Compensation and pensions'', $589,413,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for ''Readjustment benefits'', $347,000,000, to remain available until expended.

VETERANS HEALTH ADMINISTRATION

MEDICAL AND PROSTHETIC RESEARCH

Of the amount provided for ''Medical and prosthetic research'' in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–377), up to $3,500,000 may be used for associated travel expenses.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(TRANSFER OF FUNDS)

Of the amounts available in the Medical care account, not more than $19,000,000 may be

transferred not later than September 30, 2001, to the General operating expenses account, for the administrative expenses of processing compensation and pension claims, of which up to $5,000,000 may be used for associated travel expenses.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(RESCISSION)

$114,300,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading ''Annual contributions for assisted housing'' or any other heading for fiscal year 2000 and prior years: Provided, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Of the funds provided under this heading within the Department of Housing and Urban Development in fiscal year 2001 and prior years, $5,000,000 shall be made available for emergency housing, housing assistance, and other assistance to address the mold problem at the Turtle Mountain Indian Reservation: Provided, That the Federal Emergency Management Agency shall provide technical assistance to the Turtle Mountain Band of Chippewa with respect to the acquisition of emergency housing and related issues on the Turtle Mountain Indian Reservation.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

(INCLUDING RESCISSION)

Except for the amount made available for the cost of guaranteed loans as authorized under section 108 of the Housing and Community Development Act of 1974, the unobligated balances available in Public Law 106–377 for use under this heading in only fiscal year 2001 are rescinded as of the date of enactment of this provision.

The amount of the unobligated balances rescinded in the preceding paragraph is appropriated for the activities specified in Public Law 106–377 for which such balances were available, to remain available until September 30, 2003.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended with respect to the amount made available for Rio Arriba County, New Mexico by striking the words ''for an environmental impact statement'' and inserting the words ''for a regional landfill''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''$500,000 for Essex County, Massachusetts for its wastewater and combined sewer overflow program;'' in reference to an appropriation for Essex County, and inserting ''$500,000 to the following Massachusetts communities for wastewater and combined sewer overflow infrastructure improvements: Beverly ($32,000); Peabody ($32,000); Salem ($32,000); Lynn ($32,000); Newburyport ($32,000); Gloucester ($32,000); Marblehead ($30,000); Danvers ($30,000); Ipswich ($17,305); Amesbury ($17,305); Manchester ($17,305); Essex ($17,305); Rockport ($17,305); and Haverhill ($161,475);''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''$100,000 to Essex County, Massachusetts for cyberdistrict economic development initiatives;'' in reference to an appropriation for Essex County, and inserting ''$75,000 to improve cyber-districts in Haverhill, Massachusetts and $25,000 to improve cyber-districts in Amesbury, Massachusetts;''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''women's and children's hospital'' in reference to an appropriation for Hackensack University Medical Center, and inserting ''the construction of the Audrey Hepburn Children's House'': Provided, That the referenced statement of the managers in the seventh undesignated paragraph under the heading ''Community development block grants'' in title II of Public Law 106–74 is deemed to be amended by striking ''rehabilitation and conversion of part of the NYNEX building into a parking garage'' in reference to an appropriation for the City of Syracuse, New York, and inserting ''the demolition and revitalization of the Montgomery Street/Columbus Circle National Register District Area''.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(TRANSFER OF FUNDS)

Of the amounts available for administrative expenses and administrative contract expenses under the headings, ''FHA—mutual mortgage insurance program account'', ''FHA—general and special risk program account'', and ''Salaries and expenses, management and administration'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by Public Law 106–377, not to exceed $8,000,000 is available to liquidate deficiencies incurred in fiscal year 2000 in the ''FHA—mutual mortgage insurance program account''.

INDEPENDENT AGENCIES

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Notwithstanding any other provision of law, the provisions of section 401 of Chapter 4 of Appendix D of Public Law 106–554 shall not apply to Arlington National Cemetery (the Cemetery): Provided, That water and sewer services expenses charged to the Cemetery in excess of that amount which the Cemetery has to date paid for such services shall, for the purposes of section 104 of Chapter 4 of Appendix D of Public Law 106–554, be paid for out of appropriations accounts of the Department of Defense other than such account for the Cemetery: Provided further, That in satisfying the provisions of section 401 of Chapter 4 of Appendix D of Public Law 106–554 for fiscal year 2002 and future years, the water and sewer services expenses of the Cemetery shall be that amount as determined by metering within the Cemetery: Provided further, That to the extent the Department of the Treasury has heretofore withdrawn funds of the Cemetery pursuant to section 401 of Chapter 4 of Appendix D of Public Law 106–554, such amount shall be reimbursed to the Cemetery by the Department of the Treasury from funds withdrawn from appropriations accounts of the Department of Defense other than such account for the Cemetery.

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

From the amounts appropriated for Cortland County, New York and Central New York Watersheds under this heading in title III of Public Law 106–377 and in future Acts, the Administrator is authorized to award grants for work on New York watersheds: Provided, That notwithstanding any other provision of law, the funds provided to the Salt Lake Organizing Committee (SLOC) under this heading in Public Law 106–377 are available for grants for environmental programs and operations as set forth in the November 2000 Environment Annual Report of the Salt Lake 2002 Olympic Winter Games: Provided further, That the Environmental Protection Agency shall make such funds available within thirty days of enactment of this Act: Provided further, That actual costs incurred by the SLOC for activities consistent with the aforementioned report undertaken by the SLOC subsequent to enactment of Public Law 106–377 shall be eligible for reimbursement under this grant and shall not require a grant deviation by the Agency.

STATE AND TRIBAL ASSISTANCE GRANTS

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Beloit, Wisconsin'' in reference to item number 236, and inserting the words ''extension of separate sanitary sewers and extension of separate storm sewers''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Limestone County Water and Sewer Authority in Alabama for'' in reference to item number 13, and inserting the words ''drinking water improvements'': Provided, That the referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Clinton, Tennessee for'' in reference to item number 211, and inserting the words ''wastewater and sewer system infrastructure improvements''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words ''the City of Hartselle'' in reference to item number 11, and inserting the words ''Hartselle Utilities''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words ''Florida Department of Environmental Protection'' in reference to item number 48, and inserting the words ''Southwest Florida Water Management District''.

Under this heading in title III of Public Law 106–377, strike ''$3,628,740,000'' and insert ''$3,641,341,386''.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

Notwithstanding the proviso under the heading, ''Human space flight'', in Public Law 106–74, $40,000,000 of the amount provided therein shall be available for preparations necessary to carry out future research supporting life and micro-gravity science and applications.

TITLE III

GENERAL PROVISIONS—THIS ACT

SEC. 3001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 3002. UNITED STATES-CHINA SECURITY REVIEW COMMISSION. There are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $1,700,000, to remain available until expended, to the United States-China Security Review Commission.

This Act may be cited as the ''Supplemental Appropriations Act, 2001''.

And the Senate agree to the same.

C.W. BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
SONNY CALLAHAN,
JAMES T. WALSH,
CHARLES H. TAYLOR,
DAVID L. HOBSON,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOE KNOLLENBERG,
DAVID R. OBEY,
JOHN P. MURTHA,
NORMAN DICKS,
MARTIN OLAV SABO,

STENY H. HOYER,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
PETER J. VISCLOSKY,
NITA M. LOWEY,
JOSÉ E. SERRANO,
JOHN W. OLVER,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
TED STEVENS,
THAD COCHRAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 2216 (H. Rept. 107–102) which is not changed by the Senate in the report accompanying S. 1077 (S. Rept. 107–33), and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of managers, while reporting some report language for emphasis, is not intended to negate the language referred to above unless expressly provided therein.

TITLE I
NATIONAL SECURITY MATTERS
CHAPTER I
DEPARTMENT OF JUSTICE

RADIATION EXPOSURE COMPENSATION

PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND

The conference agreement includes language that provides such sums as may be necessary in fiscal year 2001 to make payment to the Radiation Exposure Compensation Trust Fund. The conferees believe that the Federal government must meet its obligations to persons, and their families, who were exposed to radiation and who now suffer from related diseases. The conferees further note that the compensation payments are based on claimants meeting eligibility criteria and therefore should be mandatory in nature, and such payments are assumed in the fiscal year 2002 congressional budget resolution to be scored as mandatory with enactment of appropriate legislation starting in fiscal year 2002. The conferees are approving these additional funds for fiscal year 2001 with the understanding and expectation that future funding for this purpose will be mandatory and that further discretionary appropriations will not be necessary and should not be provided in subsequent appropriations acts.

CHAPTER 2
DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

The supplemental request included $515,000,000 for functions funded in title I, Military Personnel, of the Department of Defense Appropriations Act. The conferees recommend $515,000,000, as detailed in the following table.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Legislated Pay Entitlements	116,000	116,000	116,000	116,000
Military Personnel, Army	(33,000)	(33,000)	(33,000)	(33,000)
Military Personnel, Navy	(30,000)	(30,000)	(30,000)	(30,000)
Military Personnel, Marine Corps	(10,000)	(10,000)	(10,000)	(10,000)
Military Personnel, Air Force	(28,000)	(28,000)	(28,000)	(28,000)
Reserve Personnel, Army	(4,000)	(4,000)	(4,000)	(4,000)
Reserve Personnel, Air Force	(2,000)	(2,000)	(2,000)	(2,000)
National Guard Personnel, Army	(6,000)	(6,000)	(6,000)	(6,000)
National Guard Personnel, Air Force	(3,000)	(3,000)	(3,000)	(3,000)
Basic Allowance for Housing Survey	210,000	210,000	210,000	210,000
Military Personnel, Army	(78,000)	(78,000)	(78,000)	(78,000)
Military Personnel, Navy	(13,000)	(13,000)	(13,000)	(13,000)
Military Personnel, Marine Corps	(45,000)	(45,000)	(45,000)	(45,000)
Military Personnel, Air Force	(59,000)	(59,000)	(59,000)	(59,000)
Reserve Personnel, Army	(6,000)	(6,000)	(6,000)	(6,000)
National Guard Personnel, Air Force	(9,000)	(9,000)	(9,000)	(9,000)
Subsistence	28,000	28,000	28,000	28,000
Military Personnel, Army	(28,000)	(28,000)	(28,000)	(28,000)
Reserve Training	42,000	48,500	42,000	48,500
Reserve Personnel, Army	(42,000)	(42,000)	(42,000)	(42,000)
Reserve Personnel, Air Force	(0)	(6,500)	(0)	(6,500)
Officer Pay Table Reform	28,000	28,000	28,000	28,000
Military Personnel, Navy	(28,000)	(28,000)	(28,000)	(28,000)
Permanent Change of Station Moves	58,000	58,000	58,000	58,000
Military Personnel, Army	(25,000)	(25,000)	(25,000)	(25,000)
Military Personnel, Navy	(13,000)	(13,000)	(13,000)	(13,000)
Military Personnel, Marine Corps	(14,000)	(14,000)	(14,000)	(14,000)
Military Personnel, Air Force	(6.000)	(6.000)	(6.000)	(6.000)
Recruiting and Retention	33,000	26,500	33,000	26,500
Military Personnel, Air Force	(33,000)	(33,000)	(33,000)	(33,000)

OPERATION AND MAINTENANCE

The supplemental request included $2,841,700,000 for functions funded in title II, Operation and Maintenance, of the Department of Defense Appropriations Act. The conferees recommend $3,046,650,000, instead of $2,852,300,000 as proposed by the House, and $3,002,450,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Flying Hours	970,000	970,000	970,000	970,000
Operation and Maintenance, Navy	(425,000)	(425,000)	(425,000)	(425,000)
Operation and Maintenance, Air Force	(418,000)	(418,000)	(418,000)	(418,000)
Operation and Maintenance, Defense-Wide	(20,000)	(20,000)	(20,000)	(20,000)
Operation and Maintenance, Air Force Reserve	(14,000)	(14,000)	(14,000)	(14,000)
Operation and Maintenance, Air National Guard	(93,000)	(93,000)	(93,000)	(93,000)
Focused Relief	36,000	36,000	0	18,500
Operation and Maintenance, Army	(10,700)	(10,700)	(0)	(4,000)
Operation and Maintenance, Navy	(7,000)	(7,000)	(0)	(0)
Operation and Maintenance, Air Force	(3,800)	(3,800)	(0)	(0)
Operation and Maintenance, Defense-Wide	(14,500)	(14,500)	(0)	(14,500)
Base Operations	414,000	407,000	447,500	429,000
Operation and Maintenance, Army	(300,000)	(300,000)	(300,000)	(300,000)
Operation and Maintenance, Navy	(83,000)	(83,000)	(116,500)	(105,000)
Operation and Maintenance, Air Force	(7,000)	(0)	(7,000)	(0)
Operation and Maintenance, Army Reserve	(7,000)	(7,000)	(7,000)	(7,000)
Operation and Maintenance, Navy Reserve	(7,000)	(7,000)	(7,000)	(7,000)
Operation and Maintenance, Army National Guard	(10,000)	(10,000)	(10,000)	(10,000)
Second Destination Transportation	62,000	50,000	62,000	50,000
Operation and Maintenance, Army	(62,000)	(50,000)	(62,000)	(50,000)
Force Protection	33,000	33,000	33,000	33,000
Operation and Maintenance, Navy	(22,000)	(22,000)	(22,000)	(22,000)
Operation and Maintenance, Marine Corps	(11,000)	(11,000)	(11,000)	(11,000)
Contractor Logistics Support	63,000	63,000	38,500	43,600
Operation and Maintenance, Air Force	(63,000)	(63,000)	(38,500)	(43,600)
Joint Exercises	11,000	11,000	11,000	11,000
Operation and Maintenance, Air Force	(11,000)	(11,000)	(11,000)	(11,000)
Ehime Maru	36,000	36,000	36,000	36,000
Operation and Maintenance, Navy	(36,000)	(36,000)	(36,000)	(36,000)
Utilities	465,000	463,100	465,000	465,000
Operation and Maintenance, Army	(172,800)	(172,800)	(172,800)	(172,800)

[In thousands of dollars]

Program	Request	House	Senate	Conference
Operation and Maintenance, Navy	(37,000)	(37,000)	(37,000)	(37,000)
Operation and Maintenance, Marine Corps	(38,000)	(38,000)	(38,000)	(38,000)
Operation and Maintenance, Air Force	(136,200)	(136,200)	(136,200)	(136,200)
Operation and Maintenance, Defense-Wide	(23,900)	(22,000)	(23,900)	(23,900)
Operation and Maintenance, Army Reserve	(13,500)	(13,500)	(13,500)	(13,500)
Operation and Maintenance, Navy Reserve	(5,500)	(5,500)	(5,500)	(5,500)
Operation and Maintenance, Marine Corps Reserve	(1,900)	(1,900)	(1,900)	(1,900)
Operation and Maintenance, Air Force Reserve	(6,000)	(6,000)	(6,000)	(6,000)
Operation and Maintenance, Army National Guard	(13,900)	(13,900)	(13,900)	(13,900)
Operation and Maintenance, Air National Guard	(16,300)	(16,300)	(16,300)	(16,300)
DoD Electrical Demand Reduction	24,500	41,500	24,500	41,500
Operation and Maintenance, Army	(300)	(7,100)	(300)	(300)
Operation and Maintenance, Navy	(14,000)	(21,200)	(14,000)	(24,200)
Operation and Maintenance, Marine Corps	(5,400)	(5,400)	(5,400)	(5,400)
Operation and Maintenance, Air Force	(4,800)	(7,800)	(4,800)	(4,800)
Operation and Maintenance, Defense-Wide	(0)	(0)	(0)	(6,800)
Real Property Maintenance	186,000	144,300	293,000	271,300
Operation and Maintenance, Army	(107,000)	(91,000)	(214,000)	(214,000)
Operation and Maintenance, Navy	(44,000)	(31,500)	(44,000)	(31,500)
Operation and Maintenance, Air Force	(16,000)	(6,800)	(16,000)	(6,800)
Operation and Maintenance, Army National Guard	(19,000)	(15,000)	(19,000)	(19,000)
Aircraft Depot Maintenance	276,000	276,000	276,000	276,000
Operation and Maintenance, Navy	(77,000)	(77,000)	(77,000)	(77,000)
Operation and Maintenance, Air Force	(175,000)	(175,000)	(175,000)	(175,000)
Operation and Maintenance, Air Force Reserve	(14,000)	(14,000)	(14,000)	(14,000)
Operation and Maintenance, Air National Guard	(10,000)	(10,000)	(10,000)	(10,000)
Ship Depot Maintenance	200,000	200,000	200,000	200,000
Operation and Maintenance, Navy	(200,000)	(200,000)	(200,000)	(200,000)
Ship Depot Operations Support	0	0	20,000	20,000
Operation and Maintenance, Navy	(0)	(0)	(20,000)	(20,000)
Spare Parts	0	0	30,000	25,000
Operation and Maintenance, Army	(0)	(0)	(30,000)	(25,000)
Pacific Command Initiatives	0	0	38,000	38,000
Operation and Maintenance, Navy	(0)	(0)	(38,000)	(38,000)
East Timor	0	0	5,000	5,000
Operation and Maintenance, Army	(0)	(0)	(2,400)	(2,400)
Operation and Maintenance, Marine Corps	(0)	(0)	(2,600)	(2,600)
Strategic Lift in the Pacific	0	0	5,000	5,000
Operation and Maintenance, Marine Corps	(0)	(0)	(5,000)	(5,000)
Classified Programs	65,200	96,400	47,950	87,850
Recruiting and Advertising	0	25,000	0	20,900
Operation and Maintenance, Army	(0)	(25,000)	(0)	(20,900)

SPARE PARTS FUNDING

The conferees concur with the Senate's recommended reporting requirements concerning supplemental funding for consumable and reparable spare parts.

ARMY RECRUITING AND ADVERTISING

The conferees recommend $20,900,000, instead of $25,000,000 as proposed by the House to fund the Army's advertising campaign sufficiently through the end of the fiscal year. The conferees are aware of the Army's advertising efforts to focus on certain audiences, including Hispanics, and directs that no less than $5,000,000 of the funds provided be used to further increase existing production efforts directed toward Hispanic recruits.

ARMY REAL PROPERTY MAINTENANCE

The conferees do not agree with the direction in the Senate report regarding the allocation of Army real property maintenance funding.

DEPARTMENT OF DEFENSE ENERGY DEMAND REDUCTION

The conferees include $45,700,000 as proposed by the House instead of $28,700,000 as proposed by the Senate, for Department of Defense energy demand reduction programs. The conferees are greatly concerned about the impact of Department of Defense energy consumption on the Western power grid. The conferees believe strongly that the Secretary of Defense must address this issue with a plan that combines greater energy efficiencies with a determined effort to fully utilize the Department's significant generating capabilities, as well as the land and other natural resources that are available for lease to private power companies. In order to assist in relieving energy demand during electric power emergencies in the western region during such emergencies, the Secretary should use all electric generating facilities owned or operated by the Department of Defense in that region, other than hydroelectric or facilities require for high priority military readiness, to generate energy for use by facilities of the Department of Defense or to be interconnected to public electric power transmission and distribution systems for use on a reimbursable basis. Of the funds provided, the conferees direct the following are to remain available through fiscal year 2002 and to be used as follows:

For ''Operation and Maintenance, Defense-Wide'', up to $5,500,000, to implement an aggressive energy conservation program which performs energy and sustainability audits of facilities at Department of Defense installations on the Western power grid to produce specific recommendations for immediate implementation of energy conservation measures. The conferees direct that the program be conducted using as equal partners, Brooks Energy and Sustainability Laboratory and Lawrence Berkeley Laboratory, with the inclusion of other entities with expertise in the field as appropriate.

For ''Operation and Maintenance, Defense-Wide'', $1,300,000, to conduct a study of installations within the Western power grid for siting potential energy generating facilities under an environmental stewardship program. The conferees note that the National Defense Authorization Act, 2001, expands the Department of Defense's authority to lease real property. This authority could be utilized to site energy generating facilities on installations in return for low cost/no cost reliable power. In addition, there is significant opportunity to leverage private sector investment for environmental restoration in such lease agreements. The conferees direct that the study be focused on and coordinated with an organization having particular experience in establishing a public/private sector capital investment environmental stewardship program for siting power generation systems and addressing urgent environmental issues with potential installations, their local communities, and regulatory agencies. The conferees further direct that the Secretary of Defense designate an appropriate entity using existing personnel within the Department of Defense to centralize service activities under this initiative, and report to the congressional defense committees not later than March 31, 2002, on the results of this study and efforts by the Department to lease real property for these purposes.

For ''Operation and Maintenance, Navy'', $10,200,000 for geothermal well drilling at China Lake.

The conferees direct that in distributing requested funds for the Energy Demand Reduction program, the Department should prioritize projects based upon available data to include increases in installation utility costs, the rate of savings in energy demand the project will produce, and the availability of service resources to complete the project. The conferees further direct the Secretary to submit a report to the congressional defense committees within 45 days of enactment of this Act that describes the complete criteria to be used and the proposed projects for distribution of these funds.

PROCUREMENT

The supplemental request included $550,700,000 for functions funded in title III, Procurement, of the Department of Defense Appropriations Act. The conferees recommend $572,650,000 instead of $488,700,000 as proposed by the House, and $596,150,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Training Munitions	73,000	73,000	31,200	31,200
Procurement of Ammunition, Air Force	(73,000)	(73,000)	(31,200)	(31,200)
C–17 Overhead Costs	49,000	49,000	49,000	49,000
Aircraft Procurement, Air Force	(49,000)	(49,000)	(49,000)	(49,000)

[In thousands of dollars]

Program	Request	House	Senate	Conference
Ship Cost Growth	222,000	222,000	297,000	297,000
Shipbuilding and Conversion, Navy	(222,000)	(222,000)	(297,000)	(297,000)
DoD Electrical Demand Reduction	4,200	4,200	4,200	4,200
Other Procurement, Army	(3,000)	(3,000)	(3,000)	(3,000)
Other Procurement, Air Force	(1,200)	(1,200)	(1,200)	(1,200)
Classified Programs	202,500	125,000	199,250	171,750
Global Positioning System NUDET	0	15,500	15,500	15,500
Missile Procurement, Air Force	(0)	(15,500)	(15,500)	(15,500)
Shortstop	0	0	0	4,000
Other Procurement, Army	(0)	(0)	(0)	(4,000)

OTHER PROCUREMENT, ARMY

SHORTSTOP ELECTRONIC PROTECTION SYSTEM

The conferees agree to restore $4,000,000 of the $8,000,000 rescinded by the House for the Shortstop Electronic Protection System (SEPS), and to realign these funds from ''Procurement, Marine Corps'' to ''Other Procurement, Army'', only for the purpose of procuring the SEPS countermeasure system to meet the force protection requirements of Army National Guard units deploying to contingency operations areas and for other Army National Guard requirements.

AIRCRAFT PROCUREMENT, NAVY

JOINT PRIMARY AIRCRAFT TRAINING SYSTEM (JPATS)

The conferees are concerned by the Department of the Navy's decision to discontinue acquisition of the Joint Primary Aircraft Training System (JPATS) for fiscal years 2002 through 2007. JPATS is currently scheduled to replace all Air Force and Navy primary training aircraft and ground based training systems. The program was designed to provide a training aircraft that offers better performance, increased safety, and greater cost-effectiveness than the existing trainer aircraft fleet. The program was also conceived as a joint program with the Navy and the Air Force to create a common multiservice flight training environment as well as to take advantage of economies of scale during the production run.

The conferees direct that no later than 30 days after the enactment of this Act, the Secretary of the Navy shall submit a report to the House and Senate Appropriations Committees detailing the business case for deferring JPATS acquisition. The report should include a discussion of: (1) all life cycle cost impacts associated with the decision to defer acquisition of JPATS; (2) safety issues related to continued use of the T–34 trainer; and (3) the implications of a non-joint initial flight training curriculum.

MISSILE PROCUREMENT, AIR FORCE

GPS NUCLEAR DETONATION

The conferees agree to provide $15,500,000 in the ''Missile Procurement, Air Force'' account for GPS Nuclear Detonation. The conferees direct that these funds shall be executed within the line-item entitled, ''NUDET Detection System''. The conferees agree with the Senate direction regarding transfer of funds in the outyears. The conferees expect the Air Force, as executive agent for space, to protect the interests of the diverse stakeholders who rely on enabling space technology to achieve mission success.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The supplemental request included $440,500,000 for functions funded in title IV, Research, Development, Test and Evaluation, of the Department of Defense Appropriations Act. The conferees recommend $492,600,000, instead of $525,600,000 as proposed by the House, and $385,500,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
ISR Enhancements	0	5,000	0	5,000
Research, Development, Test and Evaluation, Army	(0)	(5,000)	(0)	(5,000)
Airborne Laser	153,000	153,000	153,000	153,000
Research, Development, Test and Evaluation, Air Force	(153,000)	(153,000)	(153,000)	(153,000)
Launch Vehicle Demonstration	48,000	48,000	48,000	48,000
Research, Development, Test and Evaluation, Air Force	(48,000)	(48,000)	(48,000)	(48,000)
Global Hawk	25,000	17,000	25,000	17,000
Research, Development, Test and Evaluation, Air Force	(25,000)	(17,000)	(25,000)	(17,000)
Miniature Munitions	20,000	13,000	0	13,000
Research, Development, Test and Evaluation, Air Force	(20,000)	(13,000)	(0)	(13,000)
ISR Battle Management	0	5,000	0	5,000
Research, Development, Test and Evaluation, Air Force	(0)	(5,000)	(0)	(5,000)
Joint Experimentation	15,000	15,000	15,000	15,000
Research, Development, Test and Evaluation, Defense-Wide	(15,000)	(0)	(0)	(0)
Research, Development, Test and Evaluation, Navy	(0)	(15,000)	(15,000)	(15,000)
V–22 Aircraft	80,000	120,000	80,000	80,000
Research, Development, Test and Evaluation, Navy	(80,000)	(120,000)	(80,000)	(80,000)
Naval Fires Network	0	5,000	0	5,000
Research, Development, Test and Evaluation, Navy	(0)	(5,000)	(0)	(5,000)
PIPES Program	0	0	4,000	4,000
Research, Development, Test and Evaluation, Defense-Wide	(0)	(0)	(4,000)	(4,000)
COTS Visualization and Blast Modeling for Force Protection	0	0	0	3,000
Research, Development, Test and Evaluation, Defense-Wide	(0)	(0)	(0)	(3,000)
Classified Programs	99,500	144,600	60,500	144,600

GLOBAL HAWK UNMANNED AERIAL VEHICLE

The conferees agree to provide $17,000,000 to accelerate the development of the Global Hawk High Altitude Endurance Unmanned Aerial Vehicle as recommended by the House, instead of $25,000,000 as recommended by the Senate.

The conferees agree the Air Force should use up to $3,000,000 of the funds provided to conduct a competitive fly-off demonstration to evaluate existing sensor systems, particularly electro-optical and infrared sensors and synthetic aperture radars. Prior to the obligation of the funds for the fly-off demonstration, the Air Force should submit a report to the House and Senate Committees on Appropriations that outlines the strategy and milestone decision points for the demonstration.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

V–22

The conferees agree to retain sufficient fiscal year 2001 funding for the V–22 program to sustain current minimum production rates and support the Blue Ribbon Panel's findings, as well as make prudent reductions to the program in recognition that the aircraft's deficiencies must be corrected. As such, the conferees approve a supplemental appropriation of $80,000,000 for the V–22 development program only for correction of deficiencies, flight test, and flight test support. A reduction of $199,000,000 is approved for the Marine Corps V–22 procurement program, instead of the $235,000,000 reduction proposed by the Defense Department. This adjustment will allow the Marine Corps to purchase 11 aircraft, the minimum production rate required. The conferees also approve a reduction of $327,500,000 from the CV–22 procurement program, delaying initial acquisition of this aircraft until deficiencies can be corrected.

The conferees remain supportive of the goals of the Special Operations Command concerning the CV–22, but believe that all issues with the program restructure need to be resolved before acquisition of CV–22 test articles is warranted.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

NATIONAL IMAGERY AND MAPPING AGENCY

The conferees agree to two rescissions totaling $7,000,000, from ''Research, Development, Test and Evaluation, Defense-Wide'' and a reappropriation of these amounts for the National Imagery and Mapping Agency. The conferees agree to provide $4,000,000 for PIPES and $3,000,000 for Blast Visualization-COTS Visualization and Blast Modeling for Force Protection.

CENTER FOR THE COMMERCIAL DEPLOYMENT OF TRANSPORTATION TECHNOLOGIES

The conferees believe that preliminary studies of high speed cargo craft for ocean shipping conducted by the Center for the Commercial Deployment of Transportation Technologies under the guidance of USTRANSCOM and MARAD hold promise for development of safe and profitable high-speed shipping vessels that would have utility for the movement of high priority military cargo. The conferees expect

USTRANSCOM to accelerate planning efforts for follow-on CCDoTT development and engineering activities to aid in the evaluation of current sealift designs, shipbuilding requirements and capabilities, and advanced shipbuilding technology, and examination of market opportunity and economic viability. The USTRANSCOM shall provide to the House and Senate Committees on Appropriations by no later than September 30, 2001 an outyear funding plan including funding requirements and a milestone timetable for continuing the follow-on development and engineering studies for this effort.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

The supplemental request included $178,400,000 for functions funded in title V, Revolving and Management Funds, of the Department of Defense Appropriations Act. The conferees recommend $178,400,000 as detailed in the following table.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Utilities	178,400	178,400	178,400	178,400
Defense Working Capital Funds	(178,400)	(178,400)	(178,400)	(178,400)

OTHER DEPARTMENT OF DEFENSE PROGRAMS

The supplemental request included $1,453,400,000 for functions funded in title VI, Other Department of Defense Programs, of the Department of Defense Appropriations Act. The conferees recommend $1,603,400,000, instead of $1,653,400,000 as proposed by the House and $1,522,200,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Defense Health Program	1,453,400	1,653,400	1,522,200	1,603,400
Operation and Maintenance, Defense Health Program	(1,427,000)	(1,427,000)	(1,427,000)	(1,427,000)
Operation and Maintenance, Defense Health Program (for utilities)	(26,400)	(26,400)	(26,400)	(26,400)
Operation and Maintenance, Defense Health Program (MTF Optimization)	(0)	(200,000)	(0)	(120,000)
Operation and Maintenance, Defense Health Program (MTF Operations)	(0)	(0)	(68,800)	(30,000)
Drug Interdiction and Counter-Drug Activities, Defense (for utilities)	0	1,900	0	0

SUPPORT TO MILITARY MEDICAL TREATMENT FACILITIES

The conferees have agreed to provide an increase over the President's budget request of $150,000,000 to initiate an effort to reverse the disinvestments in the military direct care system. This compares to an increase of $200,000,000 proposed by the House and an increase of $68,800,000 proposed by the Senate. The conferees agree that better utilization of direct care military medical treatment facilities must be a principal component of the Department's future plans to control the explosive cost growth in the Defense Health Program. These funds are to be distributed as follows:

$30,000,000 for Army optimization projects;

$30,000,000 for Navy optimization projects;

$30,000,000 for Air Force optimization projects;

$30,000,000 for advanced medical practices;

$30,000,000 for other direct care/MTF requirements.

The conferees agree to the direction provided in the House report outlining the types of optimization projects that are eligible for these funds, guidance on calculating the cost effectiveness proviso in the bill for potential optimization projects, and the requirement for reporting to Congress on the use of these funds. The conferees agree that the $30,000,000 reserved for advanced medical practices shall be used to implement newly developed practices, procedures and techniques such as laser refractive eye surgery, liquid based cytology, positron emission tomography, non-invasive colonoscopy, and rigorous pre-symptomatic screening to augment existing DoD personal wellness and readiness programs.

OUTCOMES MANAGEMENT DEMONSTRATION

The conferees support the outcomes management demonstration at the Walter Reed Army Medical Center (WRAMC). In addition, the conferees have provided an additional $30,000,000, to remain available until expended, to address immediate shortfalls in the direct care system and military medical treatment facilities. From within these funds, the conferees direct that $16,000,000 be made available to continue the outcomes management demonstration at WRAMC.

RECOVERY OF OVERPAYMENTS

The conferees are aware of potentially significant opportunities to recover past capital and direct medical expense (CDME) TRICARE overpayments to civilian hospitals. The conferees urge the Secretary of Defense to act expeditiously to recover such overpayments, and to evaluate the use of existing, innovative methodologies developed in the private sector for this type of recovery auditing.

CLASSIFIED PROGRAMS

The recommendations of the conferees regarding classified programs are summarized in a classified annex accompanying this statement.

GENERAL PROVISIONS—THIS CHAPTER

The conferees agree to delete language as proposed by the House concerning the availability of funds provided in this chapter.

The conferees agree to retain section 1201, as proposed by the Senate concerning fuel transferred by the Defense Energy Supply Center to the Department of the Interior.

The conferees agree to retain section 1202, as proposed by the House and Senate concerning funds for intelligence related programs.

The conferees agree to retain section 1203, as proposed by the Senate which provides $44,000,000 for the repair of the *U.S.S. COLE*.

The conferees agree to amend section 1204, which rescinds $1,034,900,000 of prior year appropriations, instead of $834,000,000 as proposed by the House and $792,000,000 as proposed by the Senate. The specific programs and the amounts rescinded are as follows:

	(Rescissions)
2000 Appropriations: Procurement, Marine Corps: Shortstop	$3,000,000
2001 Appropriations:	
Overseas Contingency Operations Transfer Fund	200,000,000
Aircraft Procurement, Navy: MV–22	199,000,000
Shipbuilding and Conversion, Navy: LPD–17	75,000,000
Procurement, Marine Corps: Shortstop	5,000,000
Aircraft Procurement, Air Force: CV–22	327,500,000
Other Procurement, Air Force: Selected Activities	65,000,000
Procurement, Defense-Wide: NSA—Classified Equipment	85,000,000
Research, Development, Test and Evaluation, Defense-Wide: PIPES	4,000,000
Research, Development, Test and Evaluation, Defense-Wide: COTS Visualization and Blast Modeling for Force Protection	3,000,000
Foreign Currency Fluctuation, Defense	68,400,000

The conferees agree to amend section 1205, as proposed by the House which provides $39,900,000 to repair facilities damaged by natural disasters.

The conferees agree to retain section 1206, as proposed by the House which extends the authorities provided in section 816 of the National Defense Authorization Act of 1995, as amended, through January 31, 2002.

The conferees agree to retain section 1207, as proposed by the Senate concerning retaining all or a portion of Fort Greely, Alaska for missile defense requirements.

The conferees agree to retain section 1208, as proposed by the Senate which makes a technical correction to the fiscal year 2001 appropriation for Maritime Fire Training Centers.

The conferees agree to retain section 1209, as proposed by the Senate which earmarks funds to repair storm damage at Fort Sill, Oklahoma and Red River Army Depot, Texas.

The conferees agree to amend section 1210, as proposed by the Senate which allows for the conveyance by the Secretary of the Army of certain firefighting and rescue vehicles to the City of Bayonne, New Jersey.

The conferees agree to retain section 1211, as proposed by the Senate which prohibits obligating or expending any fiscal year 2001 funds for retiring or dismantling any of the current force of 93 B–1B Lancer bomber aircraft in fiscal year 2001. The Department of Defense has proposed to retire 33 B–1B aircraft at three locations and use a portion of the savings to upgrade the remaining 60 aircraft in the fleet. The conferees note that this provision does not preclude any planning activities by the Department of Defense to retire these 33 aircraft in the future, nor does it prohibit implementation of this plan in FY 2002. The intent of this provision is to afford the Congress and the Department a sufficient amount of time to review the full

implications of this proposal and to evaluate all alternatives.

As part of this review, the Secretary of Defense is directed to provide the congressional defense committees, within 30 days of enactment of this Act, a detailed justification of its B–1B reduction and realignment proposal that includes: (1) A description of the current operational deficiencies of the B–1B aircraft, the plan and cost for correcting those deficiencies (to include increasing the mission capable rate to a minimum of 75 percent), and an assessment of the operational performance, survivability, and overall viability of the upgraded aircraft; (2) a full explanation of the new proposed B–1B basing plan to include a full analysis of basing alternatives that compares the relative fixed and recurring costs at each base, a comparison of the workforce characteristics of each base in terms of experience, productivity and operational performance, and the variable cost differences for different B–1B aircraft maintenance options; and (3) a detailed assessment of the operational, budgetary, and personnel impacts for the Air National Guard.

CHAPTER 3

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

The conference agreement provides $126,625,000 for Weapons Activities instead of $140,000,000 as proposed by the Senate and $116,300,000 as proposed by the House.

Directed stockpile work.—The conference agreement includes $54,000,000 for directed stockpile work to be allocated as follows: $31,100,000 for stockpile research and development; $18,900,000 for stockpile maintenance; and $4,000,000 for stockpile evaluation.

Campaigns.—The conference agreement includes $15,000,000 for campaigns to be allocated as follows: $6,000,000 for enhanced surveillance; $4,000,000 for pit manufacturing readiness; $1,800,000 for secondary readiness; $1,600,000 for high explosives manufacturing and weapons assembly/disassembly readiness; and $1,600,000 for nonnuclear readiness.

Readiness in technical base and facilities.—The conference agreement includes $58,000,000 for readiness in technical base and facilities to be allocated as follows: $28,100,000 for operations of facilities; $7,500,000 for program readiness; $8,500,000 for material recycle and recovery; $8,800,000 for containers; and $1,200,000 for storage.

The conference agreement also provides funds for construction projects and includes language authorizing two projects to progress from preliminary engineering and design work to construction. Consistent with this direction, available funding in Project 01–D–103, Project Engineering and Design (PE&D), has been reduced by $13,289,000. Project 01–D–108, the Microsystems and Engineering Sciences Applications (MESA) Complex Facility at Sandia National Laboratories, has been provided $9,500,000. Project 01–D–107, Atlas Relocation and Operations at the Nevada Test Site, has been provided $7,689,000 of which an additional $3,900,000 is provided for Atlas construction in order to complete relocation during fiscal year 2002.

Facilities and infrastructure.—The conference agreement includes $10,000,000, instead of $30,000,000 as proposed by the House and no funding as proposed by the Senate, to establish a new program, Facilities and Infrastructure, to address the serious shortfall in maintenance and repairs throughout the nuclear weapons complex. This funding should be used to reduce the current backlog of maintenance and repairs and dispose of excess facilities. As the first step in this process, the Department is directed to develop current ten-year site plans that demonstrate the reconfiguration of facilities and infrastructure to meet mission requirements and address long-term operational costs and return on investment.

General reduction.—The conference agreement includes a general reduction of $10,375,000 to be allocated among the operating expense funds provided in this supplemental appropriation. However, of the funds provided herein, the National Nuclear Security Administration must provide the appropriate level of funding needed to maintain pit production and certification on schedule.

OTHER DEFENSE RELATED ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement provides $95,000,000 for Defense Environmental Restoration and Waste Management as proposed by the Senate instead of $100,000,000 as proposed by the House.

Site and project completion.—The conference agreement provides $26,500,000 for site and project completion activities. This includes $3,000,000 for groundwater contamination activities at the Pantex plant in Texas; $10,000,000 for the spent nuclear fuels project and $5,000,000 for deactivation of the plutonium finishing plant at Hanford, Washington; and $8,500,000 for plutonium packaging and stabilization activities at the Savannah River Site in South Carolina.

Post-2006 completion.—The conference agreement provides $68,500,000 for post-2006 completion activities. This includes $7,000,000 to purchase TRUPACTS shipping containers in support of operations at the Waste Isolation Pilot Plant in New Mexico; $10,000,000 for tank farm operations, $3,300,000 for F-reactor safe storage activities, and $25,000,000 for the Waste Treatment and Immobilization Plant at Hanford, Washington; and $23,200,000 for high-level waste activities and work in the F and H areas at the Savannah River Site.

DEFENSE FACILITIES CLOSURE PROJECTS

The conference agreement provides $21,000,000 for Defense Facilities Closure Projects as proposed by the House and the Senate. Funding of $20,000,000 has been provided for the Fernald, Ohio, project, and $1,000,000 for the Miamisburg, Ohio, project.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement provides $29,600,000 for Defense Environmental Management Privatization as proposed by the Senate instead of $27,472,000 as proposed by the House. This funding has been provided for the Advanced Mixed Waste Treatment Facility in Idaho.

OTHER DEFENSE ACTIVITIES

The conference agreement provides $5,000,000 for Other Defense Activities as proposed by the Senate instead of no funding as proposed by the House. This funding is provided for the worker and community transition program to mitigate the impact of the workforce reduction at the Idaho National Engineering and Environmental Laboratory. The Department should report to the House and Senate Committees on Appropriations by October 1, 2001, on the use of this funding to facilitate the proposed reduction of 1,200 employees.

CHAPTER 4

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

The conference agreement includes $22,000,000 for this account instead of $67,400,000 as proposed by the House. The Senate did not have a similar provision. Included in the account are the following projects:

Location/ installation	Project title	Cost
Korea:		
Camp Humphreys	Electrical Upgrade	$10,000,000
Camp Casey	Sewer Upgrade	8,000,000
Camp Casey	Electrical Upgrade	4,000,000
Total, Korea		22,000,000

MILITARY CONSTRUCTION, NAVY

The conference agreement includes $9,400,000 for an emergent repair facility in Guam as proposed by the House. The Senate did not include a similar provision. Not included in the agreement is $1,100,000 for constructing a close range training facility in Okinawa as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR FORCE

The conference agreement includes $10,000,000 for the Masirah Island Airfield project in Oman instead of $18,000,000 as proposed by the Senate. The House did not include a similar provision. Not included in the agreement is $8,000,000 for fire protection systems in hangars at Kunsan Air Base in Korea as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

The conference agreement includes $6,700,000 to repair storm damage at Ellington Air National Guard Base in Texas, as proposed by the Senate. The House did not include a similar provision.

FAMILY HOUSING, ARMY

The conference agreement includes $30,480,000 instead of $29,480,000 as proposed by the House, and $27,200,000 as proposed by the Senate. Of the amount provided, $2,280,000 is for renovating Hannam Village apartments in Seoul, Korea, and $1,000,000 is to repair storm damage at Fort Sill, Oklahoma.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes five general provisions.

Section 1401 authorizes increasing the spending cap at Arvin Cadet Physical Development Center from $77,500,000 to $85,000.000.

Section 1402 clarifies that amounts provided in this chapter are available for the same time period as provided in the fiscal year 2001 appropriations act.

Section 1403 rescinds $46,755,000.

Section 1404 authorizes an increase for Bassett Army Hospital at Fort Wainwright, Alaska.

Section 1405 designates the engineering and management building at Norfolk Naval Shipyard, Virginia, after Norman Sisisky.

TITLE II

OTHER SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

The conference agreement includes $3,000,000 for the Office of the Secretary, to remain available until September 30, 2002. Of this sum, not less than $1,000,000 shall be used for enforcement of the Animal Welfare Act, not less than $1,000,000 shall be used for enforcement of humane slaughter practices under the Federal Meat Inspection Act, and not more than $500,000 shall be for development and demonstration of technologies to promote the humane treatment of animals, as proposed by the Senate.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement includes $5,000,000 to guard against the threat of foreign animal disease instead of $35,000,000 as proposed by the Senate. It is the intent of the conferees that this sum will be used for equipment purchases that can be executed during fiscal year 2001. The conferees fully expect the Secretary to continue use of funds of the Commodity Credit Corporation as necessary to combat threats of foreign animal disease.

FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(RESCISSION)

The conference agreement rescinds $45,000,000 of unobligated funds from the Agricultural Conservation Program.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement provides an additional $35,500,000, to remain available until expended, for watershed and flood prevention operations to reduce hazards to life and property in watersheds damaged by natural disasters. The conference agreement includes funding for the following states in the specific amounts: Alabama, $3,500,000; Florida, $2,000,000; Mississippi, $4,000,000; Oklahoma, $7,000,000; Texas, $10,000,000; West Virginia, $8,000,000; and Wisconsin, $1,000,000.

GENERAL PROVISIONS—THIS CHAPTER

Senate Section 2101.—The conference agreement includes language (section 2101) transferring Animal and Plant Health Inspection Service Buildings and Facilities funds for plant quarantine facilities to the State of Alaska.

House Section 2101 and Senate Section 2102.—The conference agreement includes language (section 2102) that makes a technical correction to the Rural Community Advancement Program as proposed by the Senate instead of a technical correction as proposed by the House.

Senate Section 2103.—The conference agreement includes language (section 2103) directing the Secretary to promulgate final regulations for a Federal Crop Insurance Corporation program as authorized in the Agricultural Risk Protection Act of 2000 as proposed by the Senate.

Senate Section 2104.—The Conference agreement includes $20,000,000 (section 2104), as proposed by the Senate, to provide financial assistance in the Klamath Basin for a prospective water conservation program, and provides for expedited procedures. The conference agreement does not include language proposed by the House regarding an apportionment request for the Klamath Basin, and does not include language proposed by the Senate requesting a report of fiscal year 2001 losses.

Senate Section 2105.—The conference agreement includes language (section 2105) that reduces a limitation on the food stamp Employment and Training program by $3,000,000 as proposed by the Senate. The House had no similar provision.

Senate Section 2106.—The conference agreement includes language (section 2106) that rescinds $39,500,000 from unspecified prior year funds for the food stamp Employment and Training program as proposed by the Senate. The House had no similar provision.

Senated Section 2107.—The conference agreement (section 2107) provides $2,000,000 for financial assistance in the Yakima Basin for a prospective water conservation program, and provides for expedited procedures.

Section 2108.—The conference agreement provides up to $22,949,000 for certain expenses for cooperating sponsors under the Global Food for Education Initiative, and rescinds $22,949,000 of funds appropriated for fiscal year 2001 for the Food and Drug Administration that are no longer required.

CHAPTER 2

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL AND OCEAN ACTIVITIES

(INCLUDING RESCISSION)

The conference agreement includes language as proposed in the Senate bill rescinding funds for a construction project and appropriating the same amount for land acquisition and construction for the same project. The House bill did not address this matter.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM

(RECISSION)

The conference agreement includes language as proposed in the Senate bill rescinding $114,800,000 from available funds in the Emergency Oil and Gas Guaranteed Loan Program. The House bill did not address this matter.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding and reappropriating $30,000 appropriated in fiscal year 2001 for technical assistance related to the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding and reappropriating $22,000,000 appropriated in fiscal year 2001 for the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes Section 2201, modified from language proposed in the Senate bill, to amend portions of a fishing vessel capacity reduction program authorized in Public Law 106–554 regarding vessel eligibility and the timing of regulations to implement the program. The House bill did not address this matter.

The conference agreement includes Section 2202, modified from language included in the Senate bill, to amend portions of the American Fisheries Act to clarify methods for lenders to demonstrate their citizenship when making loans to the commercial fishing industry after October 1, 2001. The House bill did not address this matter.

The conference agreement includes Section 2203, clarifying the authorized uses of funds under a small business grant program.

The conference agreement includes Section 2204, clarifying the purposes of certain funds appropriated in fiscal year 2001.

CHAPTER 3

DISTRICT OF COLUMBIA

The conference agreement recommends $750,000 in Federal funds, $250,000 by transfer of Federal funds, and the revised supplemental request of $106,588,000 in District funds instead of $107,427,000 in District funds as proposed by the House and $106,677,000 in District funds as proposed by the Senate.

FEDERAL FUNDS

FEDERAL CONTRIBUTION TO THE CHIEF FINANCIAL OFFICER

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $1,000,000 in Federal funds, of which $250,000 is by transfer, as a contribution to the Chief Financial Officer of the District of Columbia for payment to the Excel Institute Adult Education Program. The House had proposed an appropriation under ''Public Education System'' of $1,000,000 consisting of $250,000 by transfer and $750,000 from local funds. The Excel Institute is an academic/auto technical training school located in Northwest Washington. The Institute offers young men and women in the District the opportunity to train for a career, earn a high school equivalency diploma, and obtain an unsubsidized job in the automotive industry. The conferees direct the District's Chief Financial Officer to make the above payment to the Institute within 15 days of the enactment of this Act. The conferees do not expect the Chief Financial Officer to administer this program in any way except to ensure that the funds are disbursed promptly and correctly to the Institute.

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

The conference agreement rescinds $250,000 as proposed by the House and inserts language clarifying that the rescission applies to fiscal year 2001 funds as proposed by the Senate.

ECONOMIC DEVELOPMENT AND REGULATION

The conference agreement includes language proposed by the Senate modified to place a cap of $60,000 on the amount to be used to implement the provisions of D.C. Bill 13–646 pertaining to historic properties. This amount was provided by District officials at the request of the conferees. The conferees note that there was no supporting justification material for this language and direct District officials to submit detailed justification material for all budget requests. The conferees request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

The conference agreement includes language proposed by the Senate modified to place a cap on the amounts to be used by the Office of the Corporation Counsel from funds deposited in the District of Columbia Antitrust Fund ($52,000), the Antifraud Fund ($5,500), and the District of Columbia Consumer Protection Fund ($43,000). The conferees also limit the use of the funds to fiscal year 2001 instead of fiscal year 2002 as proposed by the Senate and ''without fiscal year limitation'' as proposed in the request. The conferees note that there was no supporting justification material for this language. This request is similar to the one just discussed under ''Economic Development and Regulation''. The conferees direct District officials to submit detailed justification material for all budget requests. The conferees request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC EDUCATION SYSTEM

The conference agreement appropriates $13,000,000 as proposed by the Senate instead of $14,000,000 of which $250,000 was by transfer and $750,000 was from local funds as proposed by the House. The conference agreement allocates $1,000,000 for a census-type audit of

student enrollment and $12,000,000 for the 2001 summer school session as proposed by the Senate instead of $1,000,000 for a census-type audit of student enrollment, $12,000,000 for the 2001 summer school session and $1,000,000 of which $250,000 was by transfer and $750,000 was from local funds for the Excel Institute Adult Education Program as proposed by the House. Federal funds of $1,000,000, including $250,000 by transfer, for the Excel Institute are provided earlier in this chapter.

GENERAL PROVISION—THIS CHAPTER

The conference agreement includes language proposed by the Senate as a new section 2301 modified to require the Mayor to provide to the House and Senate appropriating and authorizing committees a report on the specific authority necessary to carry out the responsibilities transferred to the Chief Financial Officer in a non-control year, outlined in Section 155 of Public Law 106–522, and responsibilities outlined in DC Bill 14–254 passed by the District Council on July 10, 2001 relating to the transition of responsibilities under Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995. The report is to be submitted within 45 days of enactment of this Act.

In 1995, the Congress enacted the District of Columbia Financial responsibility and Management Assistance Act, Public Law 104–8, for the purpose of restoring financial solvency and improving effective management of the District of Columbia. The Act created the ''Control Board'' to oversee the management of the District of Columbia and established an independent Office of the Chief Financial Officer within the District government, responsible for all financial offices of the District (budget, controller, treasurer, finance and revenue) (GAO–01–845T). As the conditions of a ''control period'' have been met and the Control Board terminates at the end of fiscal year 2001, certain functions performed by the Control Board have been transferred to the responsibility of the Chief Financial Officer. Public Law 106–522, the Fiscal Year 2001 District of Columbia Appropriations Act, outlines twenty-four (24) specific responsibilities for the Chief Financial Officer in a non-control year.

The conferees recognize that the District of Columbia government has enacted legislation promoting the independence, expertise and authority of the Office of the Chief Financial Officer. The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Council, the Congress, the financial markets, District citizens an other interested parties. The conferees intend to work closely with the authorizing committees and the District of Columbia on this critical issue as we develop the fiscal year 2002 appropriations bill.

CHAPTER 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

The conference agreement includes $9,000,000 for Flood Control, Mississippi River and Tributaries instead of $18,000,000 as proposed by the House. The Senate did not propose funding for this account.

OPERATION AND MAINTENANCE, GENERAL

The conference agreement includes $86,500,000 for Operation and Maintenance, General instead of $139,200,000 as proposed by the House. The Senate did not propose funding for this account. Of the amount provided, $18,000,000 is for the Corps of Engineers to address critical maintenance items at its hydroelectric power facilities. In addition, language has been included in the bill which directs the Corps of Engineers to use $8,000,000 to assist with the recovery efforts resulting from the devastating effects of flooding which occurred in Southern and Central West Virginia in July of this year. The conference agreement also includes language proposed by the House which directs the Corps of Engineers to undertake the project authorized by section 518 of the Water Resources Development Act of 1999.

FLOOD CONTROL AND COASTAL EMERGENCIES

The conference agreement includes $50,000,000 for Flood Control and Coastal Emergencies as proposed by the House and the Senate.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

The conference agreement provides $11,950,000 for Non-Defense Environmental Management as proposed by the House instead of $11,400,000 as proposed by the Senate. Additional funding of $10,000,000 is provided to continue cleanup at the Brookhaven National Laboratory in New York, and $1,950,000 is provided to study remediation options at the former Atlas Corporation's uranium mill tailings site near Moab, Utah.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

The conference agreement provides $230,000,000 for Uranium Facilities Maintenance and Remediation instead of $18,000,000 as proposed by the House and the Senate. The conference agreement includes $18,000,000 to accelerate cleanup activities at the gaseous diffusion plant in Paducah, Kentucky, and $12,000,000 to continue decontamination and decommissioning activities at the former gaseous diffusion plant in Oak Ridge, Tennessee.

POWER MARKETING ADMINISTRATION

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

The conference agreement provides $1,578,000 for Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration as proposed by the House, instead of no funding as proposed by the Senate. Non-reimbursable funding of $1,328,000 is provided to complete planning and environmental studies for the Path 15 transmission line. Non-reimbursable funding of $250,000 is provided to conduct a planning study of transmission expansion options and projected costs in Western's Upper Great Plains Region. Existing Western transmission capacity iis insufficient to support the development of known energy resources that could support new electric generation capacity in the Upper Great Plains Region. The directed study will require assumptions as to future generation locations. Western is directed to solicit suggestions from interested parties for the sites that should be studied as potential locations for new generation and to consult with such parties before conducting the study. Western is directed to produce an objective evaluation of options that may be used by all interested parties.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes language proposed by the House to provide $500,000 for completion of the feasibility study for Chickamauga Lock, Tennessee.

The conference agreement does not include language proposed by the House to transfer $23,700,000 from the National Nuclear Security Administration to the Corps of Engineers.

The conference agreement modifies language proposed by the Senate which allows the Bureau of Reclamation to accept prepayment of certain obligations.

The conference agreement does not include language proposed by the Senate to provide $250,000 within available funds for the Western Area Power Administration for a study to determine the costs and feasibility of transmission expansion. Funding for this activity has been provided in the Western Area Power Administration appropriation account.

The conference agreement modifies language proposed by the Senate to amend the Energy Employees Occupational Illness Compensation Program Act of 2000 by including renal cancers as a basis for benefits under this program. The conference agreement makes the provision effective on October 1, 2001.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

(INCLUDING RESCISSION)

The conference agreement appropriates $100,000,000 for ''Child Survival and Disease Programs Fund'' as proposed by the Senate. The House bill did not contain a provision on this matter. These funds are available until expended and may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

The conference agreement rescinds $10,000,000 from fiscal year 2001 and prior year balances available under ''Child Survival and Disease Programs Fund''. The Senate amendment would have rescinded $10,000,000 from fiscal year 2001 funds that were designated for an international HIV/AIDS trust fund. The House bill did not contain a provision on this matter.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

The conference agreement rescinds $10,000,000 from unobligated balances of funds available under the heading ''Economic Support Fund''. The managers expect that the Department of State will consult with the Committees on Appropriations prior to any reallocation of any funds pursuant to this rescission.

GENERAL PROVISION—THIS CHAPTER

The conference agreement contains Senate language that provides that the final proviso in section 526 of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2000, as amended, is repealed, and that the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public Law 106–429. The managers agree with the Senate report language on this provision. The House bill did not address this matter.

The conference agreement does not contain section 3002 of the House bill regarding a report to the Committees on Appropriations on the projected uses of the unobligated balances of funds available under ''International Disaster Assistance'', including plans for allocating additional resources to respond to the El Salvador earthquakes. The Senate amendment did not address this matter.

CHAPTER 6

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

The conference agreement provides $3,000,000 for management of lands and resources as proposed by the Senate, instead of no funding as proposed by the House, to expedite the processing of critical energy related permits. The Senate proposal to derive these funds by transfer from unobligated balances in land acquisition accounts is not agreed to.

Within the amount provided, $1,250,000 is to reduce the backlog of oil and gas permits on Federal lands including: $300,000 for activities in New Mexico, $200,000 for activities in California, and $750,000 for activities in Wyoming. In addition, $200,000 is to process power plant applications in New Mexico, $100,000 is for power line rights-of-way in California, $500,000 is to support development of the National Petroleum Reserve Alaska, and $950,000 is for studies in the Powder River Basin in Montana to support coalbed methane development, of which $250,000 is for the continuation of wetlands filtration research with the Department of Energy and Montana State University and of which $200,000 is for preparation of a hyperspectral assessment of potential concentrations of gas reserves in the Powder River Basin covered by the ongoing Environmental Impact Statement. The Bureau should report to the House and Senate Committees on Appropriations as soon as possible on the use of hyperspectral data to prioritize the processing of applications to drill.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

The conference agreement provides $17,700,000 for construction as proposed by the House, instead of no funding as proposed by the Senate, to repair damages to U.S. Fish and Wildlife Service facilities caused by floods, ice storms, and earthquakes in the States of Washington, Illinois, Iowa, Minnesota, Missouri, Wisconsin, New Mexico, Oklahoma, and Texas. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

NATIONAL PARK SERVICE

UNITED STATES PARK POLICE

The conference agreement provides $1,700,000 for United States Park Police, as proposed by the House instead of no funding as proposed by the Senate. The House recommendation was based on information from the National Park Service that U.S. Park Police pension costs for fiscal year 2001 had been underestimated and that, in order to cover the pension shortfall, the National Park Service and the U.S. Park Police had to cancel the summer police recruit class. The managers have subsequently learned that the U.S. Park Police did not use the funds from the canceled recruit class to cover the pension shortfall but, instead, funded various other non-emergency items. Therefore, the funds provided in this Act are needed to cover the pension plan shortfall and the recruit class will not be reinstated. The managers caution the U.S. Park Police that such unapproved diversions of funds will not be tolerated in the future.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement provides $50,000,000 for operation of Indian programs as requested by the Administration and proposed by both the House and the Senate. The agreement includes two changes to the original language. The first change permits these funds to remain available until expended and the second change clarifies that the funds may be used for electric power operations and related activities at the San Carlos Irrigation Project. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

RELATED AGENCY

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

The conference agreement provides $1,400,000 for forest and rangeland research as proposed in section 2608 of the Senate bill for research on sudden oak death syndrome, instead of no funding as proposed by the House. The Senate proposal to derive these funds by transfer from unobligated balances in the land acquisition account is not agreed to.

STATE AND PRIVATE FORESTRY

The conference agreement provides $24,500,000 for State and private forestry, instead of $22,000,000 as proposed by the House and $2,500,000 as proposed by the Senate. Included are $10,000,000 to address ice storm damages in the States of Arkansas, Oklahoma and Texas, $12,000,000 for pest suppression in several areas of the country, $1,750,000 for emergency fire fighting in anchorage, and $750,000 for the Kenai Peninsula Borough Spruce Bark Beetle Task Force in Alaska. The Senate-proposed language dealing with fire fighting in Alaska has been modified by deleting references to equipment purchases. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

NATIONAL FOREST SYSTEM

The conference agreement provides $12,000,000 for the national forest system as proposed by the House instead of $10,000,000 as proposed by the Senate, of which $10,000,000 is for activities to address ice storm damages in the States of Arkansas and Oklahoma and $2,000,000 is to respond to illegal marijuana cultivation and trafficking in California and Kentucky. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

WILDLAND FIRE MANAGEMENT

The conference agreement provides no funding for wildland fire management as proposed by the Senate, instead of $100,000,000 in emergency funding as proposed by the House.

CAPITAL IMPROVEMENT AND MAINTENANCE

(INCLUDING RESCISSION OF FUNDS)

The conference agreement provides $4,000,000 for capital improvement and maintenance as proposed by both the House and the Senate to repair damage caused by ice storms in Arkansas and Oklahoma. The House proposal to designate this appropriation as an emergency requirement is not agreed to. The conference agreement also provides for the extension of availability of funds previously appropriated for maintenance and snow removal on the Beartooth Highway as proposed by the Senate.

GENERAL PROVISIONS—THIS CHAPTER

Section 2601 includes language proposed by the House to permit completion of a wilderness study at Apostle Islands National Lakeshore, WI by the National Park Service. The Senate addressed this provision under the National Park Service ''Operation of the National Park System'' account.

Section 2602 includes language proposed by the House extending the availability of funds provided in fiscal year 2001 for maintenance, protection and preservation of land in the Minuteman Missile National Historic Site, SD. The Senate addressed this provision under the National Park Service ''Operation of the National Park System'' account.

Section 2603 includes language proposed by the Senate allowing the Bureau of Land Management to use an estimated $168,000 in unobligated balances for land exchanges at Steens Mountain, OR.

Section 2604 includes language proposed by both the House and the Senate to correct a Public Law reference in section 338 of the Interior and Related Agencies Appropriations Act for fiscal year 2001.

Section 2605 includes language proposed by both the House and the Senate modifying a provision in Public Law 106–558 in order to authorize the payment of full overtime rates for fire fighters in fiscal year 2001.

Section 2606 includes language proposed by both the House and the to permit the Forest Service to receive reimbursement for expenditures for projects that otherwise qualify for the use of Federal-aid highways funds.

Section 2607 includes language proposed by the Senate permitting the use of $2,000,000 in fiscal year 2001 funding for a direct payment to Ketchikan Public Utilities in Alaska to clear a right-of-way for the Swan Lake-Lake Tyee Intertie on the Tongass National Forest. Any activity associated with clearing the right-of-way must comply with all applicable Federal and State environmental laws and regulations.

Section 2608 includes language proposed by the Senate making permanent a provision dealing with the distribution of certain Bureau of Indian Affairs funds to small tribes in Alaska.

Section 2609 modifies language proposed by the Senate restricting additional self-determination contracts and self-governance compacts for the provision of health care services to Alaska Natives. The modification extends the current restriction for three additional years rather than making it a permanent restriction.

CHAPTER 7

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING RESCISSIONS)

The conference agreement includes $25,000,000 for the Youth Activities program authorized under the Workforce Investment Act as opposed to $45,000,000 proposed by the Senate. The House bill contained no similar provision. The Secretary of Labor had proposed a reprogramming of fiscal year 2001 funds to increase funding for the Youth Activities program by $45,000,000.

The conference agreement rescinds $65,000,000 from funds appropriated under sections 169 and 171 of the Workforce Investment Act, of which $25,000,000 is rescinded from funds for Youth Opportunity Grants; $20,000,000 from funds available for Safe Schools/Healthy Students; and $20,000,000 from funds available for the Incumbent Workers program. The Senate bill included a rescission totaling $45,000,000; $25,000,000 from Youth Opportunity Grants and $20,000,000 from Safe Schools/Healthy Students. The House bill contained no similar provision. The Secretary of Labor had proposed reprogramming these funds for other purposes.

The conference agreement rescinds $177,500,000 from funds for Dislocated Worker training activities authorized under the Workforce Investment Act, of which, $110,000,000 is from amounts allotted for formula grants to States and $67,500,000 is from the National Reserve. The Senate bill rescinded $217,500,000 from the Dislocated Worker program. The House bill contained no similar provision.

The conference agreement includes provisions directing the Secretary to allocate the rescission in the Dislocated Worker formula grant funds based upon each State's share of

the unexpended balances in the program as of June 30, 2001. The Senate bill contained provisions directing the Secretary to increase State program year 2001 allotments to States with acceptable program expenditures by re-allotting unexpended balances from States determined by the Secretary to have excess unexpended program balances as of June 30, 2001. The House bill contained no similar provisions.

In addition, the conference agreement modifies language included in the Senate bill to make the rescission effective at the time the Secretary determines, based upon the best information available, the unexpended balances in each of the States. The conferees expect the Secretary of Labor to render her determination by no later than September 30, 2001. The House bill contained no similar provision.

The conferees note that the Governors of each State under the Workforce Investment Act have the authority to re-allocate unobligated funds among local areas. The conferees encourage the Governors to exercise this authority for local areas where there is need.

The conferees are aware of concerns about rescinding Workforce Investment Act training funds during a period of economic slowdown. However, based on the information available to the conferees, it appears that there is excess funding available in the program and the rescission is necessary to meet other needs in fiscal year 2001.

The conferees understand that the Secretary of Labor requires the Governors to submit State financial data for the three Workforce Investment Act block grants on a quarterly basis. The data for June 30, 2001, the end of the program year, is due on August 15, 2001. The conferences believe that timely and accurate data are critical in order for the Congress to meet its oversight responsibilities for this important program. Therefore the conferees direct the Secretary to submit to the House and Senate Committees on Appropriations an expenditure data report on each of the three Workforce Investment Act block grants at the State level and for the National Reserve funds within not more than 60 days of the end of the quarter beginning with the data from the end of program year 2000 and continuing through program year 2001.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

The conferees agreement includes a provision amending the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001, to extend the availability of funds included for the National Summit on Retirement Savings to September 30, 2002. The conferees understand the Administration expects to convene the Summit in the first part of fiscal year 2002. Neither the House nor the Senate bills addressed this matter.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The conferees agreement includes two technical corrections as proposed by the Senate. The House bill contained no similar provisions.

NATIONAL INSTITUTES OF HEALTH

(INCLUDING TRANSFER OF FUNDS)

The conferees understand that bill language is no longer necessary and therefore deletes without prejudice the language proposed by the Senate. The conferees further understand that the National Institutes of Health will use funds appropriated to the Office of the Director to proceed with the planning and start-up activities of the newly authorized National Institute of Biomedical Imaging and Bioengineering. The House bill contained no similar provision.

The conferees agreement includes language to provide for the transfer of $7,115,000 from the National Library of Medicine to the Buildings and Facilities account to complete the design phase of a National Library of Medicine facility. The House and Senate bills contained no similar provision.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

The conferees agreement provides $6,500,000 for maintenance, repair, preservation, and protection of St. Elizabeths Hospital as proposed by the Senate. The House bill contained no similar provision.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

The conferees agreement includes $300,000,000 in contingency funds to provide home energy assistance to low-income households, as authorized under section 2602(e) of the Omnibus Budget Reconciliation Act of 1981 and provides that these funds shall be available until expended, as proposed in the Senate bill. The House bill also included $300,000,000 in contingency funds but did not make the funds available beyond September 30, 2001. The conference agreement provides $150,000,000 above the Administration's request of $150,000,000.

The conferees expect that half of the $300,000,000 will be available for target assistance to States with the most critical needs, which may include needs arising from significant energy cost increases, significant increases in arrearages and disconnections, home energy shortages and supply disruptions, weather-related emergencies, natural disasters, or increases in unemployment. The conferees further expect that the remaining half of the funds will be distributed based on the LIHEAP block grant statutory formula so that every State has additional resources to address unmet energy assistance needs resulting from the extraordinary price increases in home heating fuels experienced during this past winter as well as funds to address unanticipated emergencies. The conferees note that the Department has allocated the last three emergency LIHEAP distributions to the States in this manner. The conferees direct the Department to provide notification to the House and Senate Committee on Appropriations of the amount, manner of distribution and justification for the release of funds not less than seven days prior to any allotment or release of funds.

CHILDREN AND FAMILIES SERVICES PROGRAMS

The conferees concur with language contained in the Senate report regarding a technical correction. The House report contained no similar provision.

GENERAL DEPARTMENTAL MANAGEMENT

The conferees are displeased with the way in which the Department of Health and Human Services has handled responses to the May 4, 2001 stem cell letter and its refusal to provide to the Committees on Appropriations the report ''Stem Cells: Scientific Progress and Future Research Directions'' when requested. The conferees direct that specific information requests from the Chairmen and Ranking Members of the Subcommittee on Labor, Health and Human Services and Education and Related Agencies, on stem cell research or any other matter, shall be transmitted to the Committees on Appropriations, in a prompt professional manner, and within the time frame specified in the request. The conferees further direct that scientific information requested by the committees on Appropriations and prepared by government researchers and scientists, be transmitted to the Committees on Appropriations, uncensored and without delay.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

The conference agreement includes a technical correction as proposed by both the House and the Senate.

The conferees understand that the Department plans to award only implementation grants, but no planning grants, to school districts under the fiscal year 2001 Smaller Learning Communities program. The conferees are very concerned about this decision and expect the Department to award both types of grants, and to apply the same competitive priorities used in the fiscal year 2000 grant competition in determining which applicants are funded in the fiscal year 2001 grant competition. In addition, the conferees expect that the department will continue outreach and technical assistance activities to help ensure that school districts are aware that smaller schools and smaller learning communities are effective research-based strategies to improve student safety, morale, retention, and academic achievement.

EDUCATION FOR THE DISADVANTAGED

The conference agreement includes a technical correction relating to the amount of funding available for Basic Grants in school year 2001–2002 as proposed by both the House and the Senate.

The conference agreement also includes an additional $161,00,000 for the Title I Grants to LEAs program. It is the intent of the conferees that, when taken together with the technical correction to the basic grants amount, these additional resources will result in a final fiscal year 2001 appropriations of $7,397,971,000 for basic grants and $1,364,750,000 for concentration grants. The conferees further intend that these additional resources will be used to provide each State and local educational agency the greater of either the amount it would receive at levels specified in the conference report to accompany H.R. 4577 under the 100-percent hold harmless or what it would receive using the statutory formulas. These provisions were proposed by both the House and the Senate.

The technical correction made to the appropriation for this program and the additional resources made available by this supplemental appropriations act shall take effect as if included in Public Law 106–554 on the date of its enactment.

IMPACT AID

The conference agreement includes a provision requiring Impact Aid construction funds to be distributed in accordance with the formula outlined in section 8007 of the Impact Aid program as that section existed in fiscal year 2000 as proposed by both the House and Senate.

SPECIAL EDUCATION

The conference agreement includes a technical correction as proposed by both the House and the Senate.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The conference agreement includes technical corrections as proposed by both the House and the Senate.

GENERAL PROVISIONS—THIS CHAPTER

Section 2701. The conference agreement includes a provision clarifying the intent of the Congress with regard to funding provided pursuant to section 117 of the Carl D. Perkins Vocational and Technical Education

Act of 1998 as proposed by the Senate. Funding available for this section is intended to be provided only to tribal colleges that do not receive Federal support under the Tribally Controlled Community College or University Assistance Act of 1978 or the Javajo Community College Act and whose primary purpose is to provide full-time technical and vocational educational programs to American Indian students. The House bill contained no similar provision.

Section 2702. The conference agreement includes a provision authorizing the use of fiscal year 2001 funds specifically for transition from the use of analog to digital technology for the provision of public broadcasting services for fiscal year 2001. The Senate bill included language amending the authorizing statute to establish a grant program and included two-year authorization of appropriations for the grant program. The House bill contained no similar provision.

Section 2703. The conference agreement includes a provision proposed by the Senate which makes a permanent change to section 8003 of the elementary and Secondary Education Act to clarify which small school districts are eligible for special payments authorized within the basic support payments program. The conference agreement also includes a provision proposed by the Senate stating that this change shall apply to funding available in the Department of Education Appropriations Act, 2001. The House bill contained no similar provisions.

These provisions will change the fiscal year 2001 allocations under the basic support payment program of Impact Aid, resulting in some school districts receiving less than they were expecting to receive in fiscal year 2001 funds. The conferees note that the National Association of Federally Impacted Schools supports the adoption of this provision.

The conferees became aware that certain State and district per pupil expenditure data limitations made some of the intended beneficiary districts ineligible for the special payment provisions authorized in the Impact Aid reauthorization bill enacted into law last year. While the appropriation for basic support payments in the Department of Education Appropriations Act, 2001 assumed full funding for these payments, the initial payment calculations made for school districts did not. As a result, approximately $2,900,000 set aside for payments to districts eligible for special payments was included in the calculation for distribution to non-eligible districts. The conferees intend to make an additional $2,900,000 available in the fiscal year 2002 education appropriations bill to offset the effect of this amendment.

CHAPTER 8

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

The conference agreement provides the traditional death gratuity for the widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, and the heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts.

SALARIES AND EXPENSES

MEMBER'S REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT, COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

The conference agreement provides an additional $44,214,000 for Members' Representational Allowances, standing committees, special and select, the Committee on Appropriations, and allowances and expenses.

SALARIES, OFFICERS AND EMPLOYEES

The conferences agreement provides an additional amount for salaries and expenses for the Office of the Clerk and the Office of the Chief Administrative Officer totaling $17,448,000.

ADMINISTRATIVE PROVISION

Language is included increasing the Clerk of the House's representational allowance for fiscal year 2001.

JOINT ITEMS

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

The conference agreement provides an additional $514,000 for salaries for anticipated extraordinary events.

GENERAL EXPENSES

The conference agreement provides an additional $486,000 for general expenses related to anticipated extraordinary events.

ADMINISTRATIVE PROVISION

The conference agreement includes a provision allowing the Capitol Police to be reimbursed for law enforcement assistance from any Federal, State, or local government agency (including the District of Columbia).

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

The conference agreement provides an additional $35,000 to the Office of Compliance for unexpected requests for counseling and mediation services.

ARCHITECT OF THE CAPITOL

The conferees support the proposed Senate language regarding a general management review of the Architect of the Capitol (AOC) operations. This management review should include an overall assessment of the agency's organizational structure, strategic planning, skills, staffing, systems, accountability reporting, and execution of its statutory and assigned responsibilities. The conferees direct that the General Accounting Office (GAO) lead this review, in consultation and coordination with the Architect of the Capitol, building upon earlier management reviews, and consider best practices in its evaluation and recommendations. The GAO report should include recommendations for enhancing the overall effectiveness and efficiency of the AOC operations along with recommendations as to how to implement such improvements. GAO should report the results of its review to the House and Senate Committees on Appropriations and the Senate Committee on Rules and Administration no later than April 2002.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

The conference agreement provides $9,900,000 to fund a shortfall based on increased volume of printing and publications and associated information products and services ordered by the Congress during fiscal year 2000 and 2001.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The conference agreement provides $6,000,000 to replace the air-conditioning and lighting systems at the Government Printing Office.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

The conference agreement provides $600,000 for a joint Library of Congress/United States Military Academy telecommunications project.

GENERAL PROVISIONS

Sec. 2803. A general provision authorizing one consultant for the President pro tempore emeritus is included.

Sec. 2804. A general provision has been included relating to the Abraham Lincoln Bicentennial Commission Act.

Sec. 2805. A general provision permitting the Architect of the Capitol to reimburse the Department of Treasury for prior year water and sewer services is included.

Sec. 2806. A general provision is included relating to the membership of the Senate to the Joint Economic Committee.

CHAPTER 9

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

RENTAL PAYMENTS

(RESCISSION)

The conference agreement includes a rescission of $440,000 in balances for rental payments to the General Service Administration. These funds have remained unobligated for many years, and can be made available at this time for other pressing needs.

COAST GUARD

OPERATING EXPENSES

The conference agreement includes $92,000,000 for Coast Guard operating expenses, as proposed by the House and Senate. The agreement makes such funds available until September 30, 2002, as proposed by the House, instead of September 30, 2001 as proposed by the Senate.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

The conference agreement includes $4,000,000, available until expended, for the repair or relocation of Coast Guard facilities damaged during the Nisqually earthquake in the State of Washington, as proposed by the Senate. The House bill contained no similar appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSIONS)

The conference agreement includes rescissions of balances in ''Acquisition, construction, and improvements'' totaling $12,000,000. These rescissions are as shown below:

Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106–69):	
HH–65 helicopter kapton wiring	$2,856,000
HU–25 jet re-engineering	3,468,000
MSO/station Cleveland relocation	850,000
Drug interdiction assets homeporting	2,800,000
Total	9,974,000
Department of Transportation and Related Agencies Appropriations Act, 2001 (Public Law 106–346):	
PC–170	850,000
87 foot WPB replacement	1,176,000
Total	2,026,000

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement includes a $30,000,000 rescission of contract authority as proposed by the House and Senate. Because these funds are above the annual limitation on obligations, the rescission will have no effect on current program activities.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

The conference agreement includes an appropriation from the Highway Trust Fund of

$27,600,000, to remain available until expended, for emergency highway restoration and related activities. These funds shall be distributed as follows:

Project	Amount
Alaskan Way Viaduct, Seattle, WA	$3,800,000
Magnolia Bridge, Seattle, WA	9,000,000
U.S. 119 over Pine Mountain, Letcher County, KY	9,100,000
Lake Street Access to I–35 West, Minneapolis, MN	4,700,000
Interstate 55 interchange, Weber Road and River Des Peres, MO	500,000
Highway damage due to tornado, flooding, & icestorm in northwest Wisconsin, including Bayfield and Douglas counties	500,000

The Senate bill included an appropriation from the general fund of $12,800,000, to remain available until expended, for the long-term restoration or replacement of the Alaskan Way Viaduct and Magnolia Bridge in Seattle, Washington, which were recently damaged during the Nisqually earthquake. The House bill contained no similar appropriation.

U.S. 119, Letcher County, KY.—The conference agreement provides $9,100,000 to the Commonwealth of Kentucky for safety improvements to U.S. 119 in Letcher County, Kentucky. U.S. 119 is a major commercial artery on the National Highway System in eastern Kentucky. A section of this road has been the site of several major accidents in recent years, including an accident involving a school bus six months ago. The Commonwealth of Kentucky recently prohibited use of the roadway by large commercial vehicles, which the state determined cannot safely negotiate several narrow sections of the highway. The state's action, while necessary, will disrupt commerce in this region, impacting businesses and families. The funds provided will allow the state to immediately implement major safety improvements that must occur before safe commercial use of the road can resume.

Lake Street access, Minneapolis, MN.—The conference agreement provides $4,700,000 for work to proceed to provide access to I–35 West from Lake Street in Minneapolis, Minnesota.

Interstate 55 interchange, MO.—The conference agreement provides $500,000 for work to proceed for a new interchange on Interstate 55, at the point the Interstate passes over Weber Road and the River Des Peres. The new interchange would allow increased access to the neighborhood of LeMay in St. Louis County and is critical to a local revitalization plan.

Highway damage in northwest Wisconsin.—The conference agreement provides $500,000 for necessary repairs due to recent disasters, including the flood, wind, and ice storm of April 29, 2001.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSIONS)

The conference agreement includes rescissions of appropriations and contract authorizations of $15,918,497 in unobligated balances from completed highway projects in eight previous highway authorization and appropriations acts, instead of $14,000,000 proposed by the Senate. The House bill contained no similar rescissions.

RELATED AGENCY

UNITED STATES—CANADA RAILROAD COMMISSION

The conference agreement includes $2,000,000, proposed by the Senate, for a joint U.S.-Canada commission to study the feasibility of connecting the rail system in Alaska to the North American continental rail system. Funds are made available until expended. The agreement specifies that the funds are to be provided directly to the commission, rather than to the Alaska Railroad as proposed by the Senate. The House bill contained no similar appropriation.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes a provision, proposed by the Senate, making fiscal year 1999 and 2000 funds for Northern New Mexico bus and bus facilities projects also available for State of New Mexico buses and bus-related facilities. The House bill contained no similar provision.

The conference agreement deletes a provision proposed by the Senate which would have made airport development projects in two locations eligible for grants under the Airport Improvement Program by waiving the requirement that such airports be included in FAA's National Plan of Integrated Airport Systems (NPIAS). The House bill contained no similar provision.

The conference agreement does not include provisions proposed by the Senate which would have prohibited reallocation of funds for the Morgantown, West Virginia fixed guideway modernization project or the Tuscaloosa, Alabama intermodal center. Instead, the conferees direct the Federal Transit Administration not to reallocate funds provided in the fiscal year 1999 Department of Transportation and Related Agencies Appropriations Act (P.L. 105–277) for the Tuscaloosa, Alabama intermodal center and the Morgantown, West Virginia fixed guideway modernization project. Funds are extended only for one additional year, absent further congressional direction. The House bill contained no similar provision.

CHAPTER 10

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

The conferees agree to provide $59,956,000 to reimburse any agency of the Department of the Treasury or other Federal agency for costs associated with providing operational and perimeter security at the 2002 Winter Olympics, as proposed by the Senate. The conferees expect that this funding will be provided to the following agencies, as shown in the following table. Adjustments to this funding may be made subject to the standard reprogramming and transfer guidelines:

Agency/Department	Recommendation
Department of the Treasury:	
Bureau of Alcohol, Tobacco and Firearms, Salaries and Expenses	$10,523,000
U.S. Customs Service, Salaries and Expenses	13,813,000
U.S. Customs Service, Operations and Maintenance, Air and Marine Interdiction	4,931,000
United States Secret Service, Salaries and Expenses	19,530,000
Financial Crimes Enforcement Network, Salaries and Expenses	58,000
Internal Revenue Service, Tax Law Enforcement	2,729,000
Treasury Office of Enforcement	40,000
Treasury Inspector General for Tax Administration	334,000
Department of Agriculture:	
U.S. Forest Service	1,300,000
Department of Interior:	
National Park Service	1,300,000
U.S. Bureau of Land Management	312,000
U.S. Fish and Wildlife Service	195,000
Department of Justice	4,891,000
Total	59,956,000

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $49,576,000 for the Financial Management Service, the same amount as proposed by both the House and the Senate. The conferees direct the Financial Management Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE AND MANAGEMENT

The conferees agree to provide $66,200,000 for the Internal Revenue Service, the same amount as proposed by both the House and the Senate. The conferees direct the Internal Revenue Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INDEPENDENT AGENCIES

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

The conferees agree to include a provision, modified from the Senate position, for the Federal Payment to Morris K. Udall Scholarship and excellence in National Environmental Policy Foundation account to permit the transfer of up to $1,000,000 for necessary expenses incurred pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5604(7)). The House had no similar provision.

GENERAL PROVISIONS THIS CHAPTER

Section 21001. The conferees agree to include a provision for designating a building as the Paul Coverdell Building as proposed by the Senate. The House had no similar provision.

Section 21002. The conferees agree to include a provision rescinding $18,000,000 in funds previously made available to the Internal Revenue Service, Processing Assistance and Management, Tax Law Enforcement, and the Earned Income Tax Credit Compliance Initiative.

CHAPTER 11

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

The conferees recommend an additional $589,413,000 for compensation and pension payments to eligible veterans. Supplemental funds are needed in fiscal year 2001 in order to meet cost of living adjustments and program enhancements and benefits contained in legislation enacted after passage of the fiscal year 2001 appropriations bill, but the conferees do not identify specific funding levels for each benefit or authorization.

READJUSTMENT BENEFITS

The conferees recommend an additional $347,000,000 to meet Montgomery GI Bill benefit enhancements contained in legislation enacted after passage of the fiscal year 2001 appropriations bill.

VETERANS HEALTH ADMINISTRATION

MEDICAL AND PROSTHETIC RESEARCH

The conferees included House bill language increasing the current fiscal year 2001 travel

limitation from $2,500,000 to $3,500,000. The Senate did not include bill language.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

The conferees recommend bill language proposed by the Senate allowing not more than $19,000,000 to be transferred from the Medical Care account to General Operating Expenses by September 30, 2001, for the administrative expenses of processing claims. The House did not include a time limitation for the fund transfer. The new fiscal year 2001 GOE travel limitation remains at $17,500,000.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(RESCISSION)

The conference agreement includes a rescission of $114,300,000 from amounts made available to the Department as proposed in the House bill, with a technical change in the language. The Senate bill did not address this matter.

NATIVE AMERICAN HOUSING BLOCK GRANTS

The conference agreement includes language authorizing $5,000,000 from within available funds under this heading appropriated in fiscal year 2001 and prior years to be used to address mold problems on the Turtle Mountain Indian Reservation. The Senate bill included an additional appropriation to the Tribe, subject to submission of a plan. Language is also included as proposed in the Senate bill requiring the Federal Emergency Management Agency to provide technical assistance to the Tribe. The House bill did not address this matter.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

(INCLUDING RESCISSION)

The conference agreement includes language as proposed in the Senate bill making a technical change to extend the availability of funds appropriated under this account in Public Law 106–377. The House bill included similar language as a general provision.

Language is included clarifying Congressional intent with respect to appropriations made to improve cyber-districts in Massachusetts and for wastewater and combined sewer overflow infrastructure improvements in Massachusetts, as recommended in the House bill; and for appropriations made for Rio Arriba County, New Mexico, as recommended in the Senate bill. The conferees have amended language as proposed by the House which clarifies the intent of Congress with respect to a grant made for construction at a New Jersey university center and with respect to a grant made to the City of Syracuse, New York.

HOUSING PROGRAMS

MANUFACTURED HOUSING FEES TRUST FUND

The conference agreement does not include language proposed in the House bill authorizing the expenditure of fees available in the fund. The conferees understand that separate legislation has been enacted to allow for the expenditure of these fees in fiscal year 2001. The Senate bill did not address this matter.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(TRANSFER OF FUNDS)

The conference agreement includes language authorizing the Department to use $8,000,000 from within existing fiscal year 2001 appropriations for FHA administrative expenses and HUD salaries and expenses to pay the obligation and accrued interest resulting from a probable fiscal year 2000 violation of the Anti-Deficiency Act, as proposed in both the House and Senate bills.

FHA—GENERAL AND SPECIAL RISK INSURANCE

The conference agreement does not include an additional appropriation for this account as proposed in the House bill. Language is not included to remove certain requirements on supplemental funds provided for this account in fiscal year 2000 as proposed in the Senate bill.

INDEPENDENT AGENCIES

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

The conferees have amended the language included in the House bill providing $243,059 to pay the Cemetery's disputed water bill with the District of Columbia. Instead, the conferees have included a provision directing the Department of Defense to pay the disputed water bill in excess of the amount already paid by the Cemetery, and reimburse the Cemetery for any draw-down on funds made by the Treasury in excess of the Cemetery's current payment.

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

The conferees have amended language proposed by the House which clarifies the intent of Congress with respect to grants made for work in Cortland County, New York and Central New York watersheds. The language further clarifies the intent of Congress with respect to a grant made in Public Law 106–377 to the Salt Lake Organizing Committee for environmental work related to the 2002 Winter Olympic Games.

STATE AND TRIBAL ASSISTANCE GRANTS

The conferees have included language proposed by the House and the Senate clarifying the intent of Congress with respect to a grant made to the City of Beloit, Wisconsin. The conferees have similarly included language proposed by the House which clarifies the intent of Congress with respect to grants made to Hartselle Utilities in Alabama and to the Southwest Florida Water Management District, and which correctly states the dollar amount provided in fiscal year 2001 for grants under this heading.

The conferees have amended language proposed by the House which clarifies the intent of Congress with respect to grants made to the Limestone County Water and Sewer Authority in Alabama, and to the City of Clinton, Tennessee.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

The conferees agree to make no changes to the FEMA Disaster Relief account for fiscal year 2001. The House had proposed a rescission of $389,200,000 and the Senate had proposed an increase of $1,000,000 for this account. The conferees agree that recent significant natural disasters, including tropical storm Allison, have severely depleted funds previously provided for disaster relief. The conferees note that the status of the disaster relief fund today is quite different from the status at the time the House originally proposed its rescission. At that time over $2,000,000,000 was available, but today only about $800,000,000 is available. With significant costs yet to be covered, it is clear that rescinding funds from this account is not any longer possible. Likewise, it is not clear that an eminent need exists for additional funding and the conferees have agreed to provide no additional funding in fiscal year 2001.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

The conferees have agreed to changes in language enacted as part of Public Law 106–74 (the Fiscal Year 2000 VA-HUD-Independent Agencies Appropriations Act) as proposed by the Senate instead of the changes proposed by the House. The final proviso under this heading in Public Law 106–74 restricts the use of $40,000,000 to the shuttle research mission, commonly referred to as the R–2 mission, to occur after the STS–107 shuttle research mission. Subsequent events have increased the cost of STS–107 and significantly delayed any future research mission, resulting in a need to modify the original proviso prior to the funds expiring on September 30, 2001. The House had proposed deletion of the final proviso under this heading in Public Law 106–74, thus allowing the funds to be used for other purposes. The House provision also included language restricting a portion of the funds to research associated with the International Space Station. The Senate proposed to modify the proviso to allow the funds to be used for purposes other than originally intended and does not include any reference to the International Space Station research.

The conferees agree that the original direction included in the proviso is no longer valid. The conferees agree that $32,000,000–35,000,000 of the funds provided in the original proviso remain available. The conferees agree that $17,000,000 of the funds shall be to cover cost increases associated with the STS–107 mission which have already been incurred and the funding can be legitimately expended prior to September 30, 2001. The mission's costs have increased because its launch has been delayed due to the need for extensive repairs to the shuttle Columbia's wiring and schedule changes associated with the Hubble servicing mission. The remaining funds shall be used prior to September 30, 2001 for any projects or activities NASA deems to be in legitimate need of funding. The conferees further agree that NASA is to take all necessary action to ensure that the STS–107 research mission is accomplished and contractual obligations are met during fiscal years 2001 and 2002. NASA is directed to provide the Committees on Appropriations a full accounting of the use of the fiscal year 2000 funding and the subsequent fiscal year accounting adjustments to reflect full funding of the STS–107 mission prior to its launch currently scheduled for May 2002.

The conferees understand work is already underway and international partners are involved in research scheduled for R2 and therefore expect NASA to continue to pursue options for carrying out this life and microgravity research as well as work to increase research funding and flight opportunities during ISS assembly.

GENERAL PROVISION

The conference agreement does not include section 2901, recommended in the House bill, as this matter has been addressed under the Community development fund account as recommended in the Senate bill.

TITLE III

GENERAL PROVISIONS—THIS ACT

The conference agreement includes a provision as proposed by both the House and Senate that limits the availability of funds provided in this Act.

The conference agreement deletes a provision proposed by the House relating to the Buy American Act. The Senate bill contained no similar provision.

The conference agreement includes an appropriation of $1,700,000 for the United States-China Security Review Commission, as proposed by the Senate. The House bill contained no similar provision.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2001 recommended

by the Committee of Conference, with comparisons to the fiscal year 2001 budget estimates, and the House and Senate bills for 2001 follow:

(In thousands of dollars)

Budget estimates of new (obligational) authority, fiscal year 2001	$7,480,187
House bill, fiscal year 2001	7,481,283
Senate bill, fiscal year 2001	7,479,980
Conference agreement, fiscal year 2001	7,480,186
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 2001	−1
House bill, fiscal year 2001	−1,097
Senate bill, fiscal year 2001	+206

C.W. BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
SONNY CALLAHAN,
JAMES T. WALSH,
CHARLES H. TAYLOR,
DAVID L. HOBSON,
ERNEST J. ISTOOK, JR.,
HENRY BONILLA,
JOE KNOLLENBERG,
DAVID R. OBEY,
JOHN P. MURTHA,
NORMAN DICKS,
MARTIN OLAV SABO,
STENY H. HOYER,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
PETER J. VISCLOSKY,
NITA M. LOWEY,
JOSÉ E. SERRANO,
JOHN W. OLVER,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
TED STEVENS,
THAD COCHRAN,
Managers on the Part of the Senate.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Joint Resolution 50.

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

There was no objection.

DISAPPROVAL OF NORMAL TRADE RELATIONS TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

Mr. THOMAS. Mr. Speaker, pursuant to the unanimous consent agreement of July 17, I call up the joint resolution (H.J. Res. 50) disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of H.J. Res. 50 is as follows:

H.J. RES. 50

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 1, 2001, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to the order of the House of Tuesday, July 17, 2001, the gentleman from California (Mr. THOMAS) and a Member in support of the joint resolution each will control 1 hour.

Is there a Member in support of the joint resolution?

Mr. STARK. Mr. Speaker, I am in support of the resolution.

The SPEAKER pro tempore. The gentleman from California (Mr. STARK) will control 1 hour.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to yield one-half of the time, 30 minutes, to the gentleman from Michigan (Mr. LEVIN), the ranking member on the Subcommittee on Trade of the Committee on Ways and Means, and that he be permitted to yield time as he sees fit.

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

There was no objection.

Mr. STARK. Mr. Speaker, I ask unanimous consent to yield half of my time to the gentleman from California (Mr. ROHRABACHER), who supports the resolution.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong opposition to House Joint Resolution 50, which would cut off normal trade relations with China.

This resolution, I believe, is terribly short-sighted toward Chinese reform and hard-fought gains of American consumers, workers and exporters, given how China is so close to accepting the comprehensive trade disciplines of the World Trade Organization membership.

□ 1615

Just last July, this body voted 273 to 197 to extend normal permanent trade relations to China upon its accession to the WTO. The reason this measure is in front of us today is that, after negotiations between Ambassador Zoellick and the Republic of China, we have come to an agreement on a bilateral agreement which is a precursor to the admission of China. Unfortunately, the date sequences leave us with an open period of time in which this annual renewal is necessary.

In order to support the United States government's decision based upon the bilateral negotiated treaty with China, I urge all Members to oppose H.J. Res. 50.

Mr. Speaker, I rise in strong opposition to H.J. Res. 50, which would cut-off normal trade relations with China. This resolution is terribly short-sighted toward Chinese reforms and the hard-fought gains of American consumers, workers, and exporters, given how close China is to accepting the comprehensive trade disciplines of WTO membership.

Last July, this body voted 273 to 197 to extend permanent normal trade relations with China upon its accession to the WTO. I expect China to officially assume the full responsibilities of WTO membership by year end. Defeat of H.J. 50 is necessary to support Ambassador's Zoellick's decision to take the extra time to ensure that China's concessions to the Untied States are as clear and as expansive as possible.

Despite its history, despite having been pushed and pulled between colonialism and nationalism, ravaged by simultaneous imperial invasion and civil war, and finally driven to near ruin by Mao and his Cultural Revolution, China is finally prepared to join the world of trading nations by accepting the fair trade rules of the WTO. This is progress that must be supported. While the world and the Chinese people still face overwhelming problems with the behavior of the Chinese government, it is imperative to understand that China is changing. These last ten years represent the most stable and industrious decade China has known in the last 150 years. WTO Membership and normal trade relations with the United States is the best tool we have to support the changes we see in China.

Thanks to the Chinese government's structural economic reforms, more than 40 percent of China's current industrial output now comes from private firms. Urban incomes in China have more than doubled. For millions of Chinese, increased prosperity and well-being has been manifest in the form of improved diets and purchases of consumer goods.

Everyday, more and more ordinary Chinese citizens are able to start their own businesses and begin the process of building an entirely new way of life for themselves. We are witnessing Chinese society renew itself, absorbing new ideas and a world of information and knowledge. As well, the Beijing Government is taking steps to integrate capitalists into China's domestic political system.

Revoking NTR at this time would undermine the success of the capitalist and social reforms taking place in China. Let us not turn our backs on the gains our negotiators have made with China for America's farmers, businesses, and consumers. Instead, let us all give capitalism a true chance in China.

I urge a ''no'' vote on H.J. Res. 50.

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

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

Mr. Speaker, many might view this debate as an exercise in futility as China has already received permanent normal trade relations status. But I see it as an opportunity to recall some of the false arguments made on behalf of granting permanent normal trade relations to the People's Republic of China and to reflect back on the progress China has made in becoming a global trade partner worthy of normal trade relations status.

Last year when we debated the relations with China, we heard all kind of horrific scenarios from the industries that support this about the threats of what would happen to the American economy if we did not grant permanent trade relations to China. For instance, in May, 2000, Motorola ran a full-page ad in Roll Call and had a picture of the Motorola flip phone, like so many of us carry, and it said, ''If we do not sell products to China, someone else will.''

They contended in their ad that, of course, these phones were made by Motorola. They falsely said that this would mean China's markets would not be open to U.S. exports. Well, less than a year after the enactment, Motorola shut down its only U.S. manufacturing plant and moved the manufacturing jobs to China. There are many, many anecdotes to that. We just sold out too cheap.

The argument, if we do not sell products to China, China will sell them to us, that is the argument that Motorola should have used.

They made promises with respect to weapons which they have not kept. They have made promises with respect to human rights which they have not kept. And we, like a bunch of chumps, have bought into that argument and allowed China to run roughshod over human rights, over American dignity, over American jobs.

Mr. Speaker, I would urge my colleagues to support this resolution, to end this charade that these people are doing anything that would help America or that they voluntarily will increase human rights on their part.

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

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the remainder of my time be controlled by the gentleman from Illinois (Mr. CRANE).

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

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

Mr. Speaker, I rise in opposition. I do not really look upon this as an exercise in futility. It is an exercise that would have some true irony if this resolution were to pass because, as we know, China has now essentially finished its negotiations with all of the countries, save one perhaps, and with the WTO except for a few outstanding issues. Its accession is now essentially completed.

If this resolution were to pass, we would withdraw NTR for a few months and then it would go into effect upon the formal accession of China. So, in that sense, any passage of this would be not only be radical but probably counterproductive. In that sense, maybe it is futile.

I think we should look upon this discussion as an opportunity to assess where matters are since we voted for PNTR.

In a word, I would say that it is a mixture of changing and staying the same. There has been continuing change in China. It has continued to move away from a state-dominated economy towards a free-market economy. That has been true in industrial sectors, and now more and more it is gaining a foothold elsewhere, both geographically and in other sectors. Also, it has been true in the smaller enterprises as well as the larger.

We have also seen a rapid expansion of the Internet. We also have seen the beginnings of cracks in their legal system that has been so dominated by the state. For the first time, we are seeing some successful suits by workers and individuals to redress grievances.

It is said soon China will be acceding to the WTO, and that I think everybody would agree is likely to accelerate change. Indeed, one of the issues is how China is going to handle these changes.

But in many other respects China has stayed the same. Anyone who thinks increased trade is a panacea that will bring about all kinds of changes in the near future, I think those people are wrong. I think we have seen in the last year continued trampling on the human rights in China, Falun Gong, the repression of Tibet and other ethnic minorities and the grievous detention of scholars and American citizens.

We have also witnessed some security issues, including the downing of our airplane. These are troubling issues, and they continue to be. So I think the events of the last year fortify the approach that was taken last year, and that is to combine engagement with China that I think is truly unavoidable in view of its size, its importance, and also the need to pressure China, indeed at times to confront, to engage and to pressure.

Last year, the legislation had some provisions relating to engagement. They also did so in terms of pressure. We set up a congressional executive commission. I think that now all of the members have been named. There will be one change in the Senate. I think that within the next weeks, if not few days, that important commission will become operational. It will work on issues of human rights, including worker rights, be an active force to pressure China to move in the right direction.

It did not like our creation of that commission, and I think that commission will fulfill its obligations.

We asked in that legislation that there be an annual review of China's performance within the WTO. Many were skeptical that could be achieved, but it has been through the negotiations by USTR. We also inserted an anti-surge provision in the legislation that was the strongest inserted into legislation in American history, and that is there as a pressure point.

So, in a word, I think that we need to continue the path that we have set, one of active engagement, but also of vigorous alertness and pressure. So, therefore, I oppose this resolution, not only because we would be withdrawing NTR only for it to go back into operation in a few months but because I think on balance the appropriate course is one of continuing engagement and also of vigorous pressure.

Mr. Speaker, I think this is the best path to follow, not an easy one, but the one that is most likely to be productive on all sides of the equation.

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

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

Mr. Speaker, I have introduced House Joint Resolution 50 with my colleague from Ohio (Mr. BROWN) to disapprove the extension of the President's waiver on the Jackson-Vanik provision in the Trade Act of 1974. My reason for this resolution is to protect our country's national security, as well as to call attention to the gross violations of human rights that now are taking place on the mainland of China.

Since we held this debate last year, and despite previous Presidential waivers, the Communist Chinese have used their $80 billion that they have in annual trade surplus with the United States to modernize their military and boost their nuclear forces which target American cities. In other words, they are using the $80 billion trade surplus that we are permitting. We are approving the rules of engagement in terms of our economic relationship. They use that $80 billion to buy technology to kill Americans. That is absurd, that we should continue in this type of relationship.

Mr. Speaker, many people are going to suggest that this is in some way beneficial to the people of the United States. There is no doubt that the China trade is beneficial to a very few people in the United States, a few billionaires who are able to exploit the labor, the near slave labor in China and thus do not have to put up with unions or regulations in the United States of America. So, yes, it is beneficial for them, but it is not beneficial for the people of the United States of America.

What is it then that propels this vote on normal trade relations? Why is it that we always have this vote, and those of us who are against normal trade relations with Communist China always lose. Well, it is because we have these people who have great wealth and power who are exercising their influence on this body and with the public to try to pressure to continue going down this road even though every road sign says, ''Turn back, not this way.''

Mr. Speaker, we will hear during this debate over and over again, mark my words, we will hear people say we have got to have normal trade relations with China in order to exploit the world's biggest market in order to sell American products.

Let me repeat this two or three times. That is not what normal trade relations is about. It is not what normal trade relations is about. Opening

up markets and selling American products that are manufactured here is not what normal trade relations is about.

What normal trade relations is about is, with the passing of this bill, those billionaires that I just mentioned are able to get tax subsidies, subsidies for their investment. They are able to close down manufacturing companies in the United States and open up factories in Communist China to use their slave labor with a subsidy from the American taxpayer, be it the Export-Import Bank or other subsidized international financial institutions.

Mr. Speaker, that is what this vote is about. This vote is whether we should be subsidizing big business to close down American factories and give that subsidy to them to open up factories in Communist China. It is an insult to the people of the United States. We are taxing them to put them out of their own jobs. That is what this vote is about. It is about continuing the economic rules of engagement with Communist China which has led to their militarization and has led them to become so arrogant of the United States that the Chinese downed an American military aircraft and held American military personnel hostage for 11 days.

Mr. Speaker, I ask my colleagues to consider, what if those people had died on that airplane? Those 24 Americans, it was a miracle that they did not die, that that crash did not occur. Otherwise, what would we be doing today?

I would suggest many people in this body would be making the same arguments, do not worry about Communist China, it is actually getting better. What do they have to do? They are murdering their own people. They are putting Christians in jail. They are putting Falun Gong meditators in jail. They have a higher level of oppression than they had before. They are bringing down American aircraft. What do we have to do?

Mr. Speaker, we have to recognize that there are powerful forces at work in this country and they are profiting from what, from a tax subsidy from our taxpayers to give them the type of loan guarantees that they cannot get from private banks.

□ 1630

This has nothing to do with free trade. It has nothing to do with selling American products in China. It has everything to do with subsidizing and guaranteeing big businessmen who cannot get their loans guaranteed in the private sector because it is too risky to go and set up factories in China.

That is what this vote is about. I would ask my colleagues to support our position and to reject the Jackson-Vanik waiver for trade with China.

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

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in opposition to House Joint Resolution 50, which attempts to disapprove normal trade relations with China. It is clearly in our country's best interest to open up China's market of more than 1.2 billion potential customers. Our markets are already open to China. We need normalized trade relations to further open up their markets to us.

And we are moving in the right direction. Twelve years ago, the images we saw from China were of students standing in front of tanks. Now the images we see on our TV screens are of students standing in front of Internet cafes and McDonalds. There are several Wal-Mart stores that have recently opened up in China. U.S. exports to China have increased by $4 billion over the last 5 years, with a 24 percent increase last year alone as a result of normal trade relations.

Some folks who want to put an end to our trading relationship with China point out that they have a less than satisfactory record on human rights. I agree. But I also agree with President Bush that maintaining normal trade relations with China is our best hope for improving their record in terms of human rights. I think President Bush did a great job in securing the safe return of 24 brave servicemen and women from China after the surveillance plane incident.

Looking forward, we can make a positive impact by engaging in constructive dialogue with China, exporting more Bibles to China, opening up their minds about democracy through the Internet, and other things.

I urge my colleagues to vote ''no'' on this resolution.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I rise today in support of the resolution to disapprove MFN status for the People's Republic of China. I recognize this is largely a symbolic action. The die was cast last year when Congress approved PNTR for the People's Republic.

I voted to support normal trade status as it was an essential step towards inclusion of China in the WTO and mainstream of international trade. As a part of the bilateral agreement between China and the United States, once China joins the WTO we will have achieved significant concessions from China in our trade arrangements. We will also have a permanent human rights monitoring of China. But to date, China has not become part of the WTO and standing on its own, using human rights as the test, particularly reviewing China's record during the past 12 months, China is not entitled to MFN status.

I view this vote as a signal to the leaders of the Chinese Communist Party that their actions in numerous areas, but most particularly in the area of human rights, are unacceptable internationally.

Mr. Speaker, let me just quote from the report of our own State Department on human rights practices in China:

''The government's poor human rights record worsened, and it continued to commit numerous serious abuses.

''The government's respect for religious freedom deteriorated markedly during the year, as the government conducted crackdowns against Christian groups, et cetera.

''Abuses included instances of extrajudicial killings, the use of torture, forced confessions.

''The government severely restricted freedom of assembly and continued to restrict freedom of association.

''Violence against women, including coercive family planning practices which sometimes includes forced abortion and forced sterilization.''

Mr. Speaker, the report goes on and on and on on the human rights violations of China. Jackson-Vanik speaks to our Nation that we believe that human rights are an important part of normal trade with our Nation. Based upon the record during the past 12 months, China does not deserve normal trade relations; and we should approve the resolution.

Mr. STARK. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent that he be allowed to control the time.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, last year I was a strong supporter of granting PNTR status to China and the opportunity for them to join the WTO. Today I rise in strong opposition to the resolution of disapproval for normal trade relations with China.

Has China improved over the last year and have they become the kind of nation that we would believe would be the perfect trade partner for us? Have they shared our values of democracy and human rights? Have they worked toward improving the environment? No, they have not.

But at the same time, I believe that former Secretary of State Madeleine Albright was correct when she said that engagement with China is not endorsement. And having an opportunity to work with a China that is opening its markets, that is one that is part of the World Trade Organization, that is opportunistically working to open its markets with us and is also able to be subject to the adjudication of the World Trade Organization is somebody that I think is necessarily part of the world market.

We have an opportunity to know that in this connection, trade is not always about economic and political freedom, but it certainly will help us to get to a place where China can move toward improving its human rights, and that is a very important opportunity for the working families of my district in California.

Mr. Speaker, normal trade relations with China is good for businesses and for working families. I urge my colleagues to oppose the resolution disapproving normal trade relations with China because exposing the Chinese people to economic and political freedom is the best way to encourage change in that country.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. GRAHAM), a man who knows we should not be subsidizing American investment in China.

Mr. GRAHAM. Mr. Speaker, I thank the gentleman for yielding me this time; and I thank the gentleman from California (Mr. ROHRABACHER) for always keeping our eyes focused.

It is funny what people see when they look at countries or events. When we look to China, we see a quick buck. That is what we look at.

What did the students in Tiananmen Square see when they looked at America? They built a statue modeled after the Statue of Liberty. When you come into my office, the first thing you will see is the young man standing in front of the two tanks. He is dead.

We debate faith-based initiatives today and what role religious organizations ought to have in our public life, and we jealously guard separation of church and state. What do they do in China? They will kill you if you step out of line.

We debate passionately a woman's right to choose. There is no debate in this country about the government forcing somebody to have an abortion, but that is the norm in China. When you talk about normal relations, you better understand who you are talking about.

Slave labor. We debate worker safety, environmental protections; and we have different views. But nobody in this House would allow one American to live like the Chinese people live under Communist tyranny.

Time Magazine, not my favorite magazine, is banned in China. It is banned in China because they wrote something the Communist Chinese dictators did not like.

Trade with China. You show me one agreement we have made with them, and I will tell you how they cheat. They are destroying the textile industry because they cheat.

If during the Reagan years we had done with the former Soviet Union what we are doing with China, communism would still be alive and well because we would give the Communist dictators in the former Soviet Union the money to stay in business. The money going to China does not go to the people. It goes to their government.

What is a normal relationship with China? The normal day-to-day operations in China should make most Americans feel ashamed that we are doing business with them.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. DREIER).

Mr. DREIER. I thank the gentleman for yielding me this time.

Mr. Speaker, this is probably the last time that the United States Congress will engage in what has become known as the annual ritual of debating normal trade relations with China. No matter what side of this trade debate you are on, you cannot deny that China is rapidly emerging as a nation. They are already a regional power in Asia, and they have the capability to be a world player. This is not a value statement; it is clearly a fact.

Another fact, and one that I have asserted many times over the years, is that market reform is a powerful force for positive change in China. As it develops economically, a massive class of better educated, wealthier Chinese people is emerging, people empowered not through politics and the ballot box but increasingly empowered through property rights and information technology. This is China's entrepreneurial class.

We all recognize that the Chinese government does not share our values. The people who make up China's entrepreneurial class increasingly should share our values, but they often do not. The disturbing reality is that we appear to be losing the hearts and minds of the Chinese people.

Now, there is no question that many Chinese leaders do not like America and the values that it embodies. But we need a national policy toward China that is able to penetrate through the haze of the Chinese information ministers and make it clear to the people of China that the people of the United States are their friends. The vast majority of the 1.3 billion people in China share the hopes and dreams that we hold. They want good jobs, strong families, and a peaceful future. The desire for life, liberty, and the pursuit of happiness may have been penned by an American, but there is no reason to believe that the dream does not extend to people in China or anywhere else. That is why America has been a symbol for hope and human freedom for over 200 years.

That is also why we must be committed to ensuring that the average Chinese family does not believe that America stands in the way of those basic goals. In short, we need to stand up to the Chinese government for freedom in ways that do not put us on the wrong side of the Chinese people.

Mr. Speaker, the House is going to reject this resolution of disapproval because ending trade with China is bad for the American people and it is bad for the Chinese people. We may not need to go through this exercise again, but we should be thinking about how to build ties to the emerging Chinese entrepreneurial class. Winning the trade fight but losing the hearts and minds of those in China who should be America's friends may very well prove to be a Pyrrhic victory.

For the people of the United States and the people of China, vote ''no'' on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI) who believes that this Congress should quit rewarding China for its human rights violations, for its political oppression, and for its persecution of religious figures.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this important issue.

I just want to pick up where my colleague from California left off, and, that is, he said ending trade with China. Speaking that way is a grave disservice to this debate. Nobody here is talking about ending trade with China. What we are saying is that our trade with any country should promote our values, promote our economy through promoting our exports and make the people freer. Our trade relationship with China fails on all three points.

I had hoped that this debate would not even be necessary. Last year when PNTR was passed, it was said it was necessary for us to do our part of the bargain so that China would come into the WTO and start complying with international trade rules.

□ 1645

Here we are again, 1 year later. Frankly, I think you should all be very embarrassed. You promised if we did that, they would be in. But, then again, you have been saying since 1989, when we first started this debate, that if we gave China most-favored-nation status, now had its name changed to protect the guilty, if we gave them PNTR, or NTR, or whatever you want to call it, that human rights, that the trade advantage would improve for us, and that they would stop the proliferation of weapons of mass destruction, three areas of concern.

Well, bad news again. The news is bad on every score. When we first started this debate in 1989, the trade deficit with China was $2 billion a year. My, my, my, we thought that gave us leverage, $2 billion a year. The annual renewal, this policy that is in place that was going to improve our trade relationship, that deficit is projected to be $100 billion for this year. Not $2 billion a year, but $2 billion a week. On the basis of trade alone, this is a bad deal for the U.S.

Intellectual property is supposed to be our competitive advantage. The International Intellectual Property Alliance reports that piracy rates in China continue to hover at the 90 percent level, an alarming increase in the

production of pirate optical media products, including DVDs by licensed, as well as underground, CD plants. I will submit the full report in the record. Growing Internet piracy, growing production of higher-quality counterfeit products, and respective uses of unauthorized copies of software in government enterprises and ministries.

The Bush administration report on agriculture is very bad. It says that the anticipated access for agricultural products has not been seen. So that was the big thing we held out last year. If you vote for this, our products will get into China. The access is just not there.

On proliferation, China continues to proliferate weapons of mass destruction to rogue states, which we have now changed the name to ''countries of concern,'' and to unsafe guarded states like Pakistan, North Korea, Iran, Iraq, Syria and Libya, making the world a less safe place.

On the question of human rights, we were told if we gave China most-favored-nation status, human rights would improve. The brutal occupation of Tibet continues. The human rights violations continue and are worsened. If you are a political dissident in China, you are either in jail or in exile.

So I say to my colleagues, if we are standing here again next year, shame on us. I think we should finesse this issue. Next year we have to examine this policy closer.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I rise to oppose this resolution.

Normal trade relations with China has been supported by every single President of the United States, Republican and Democratic alike, since 1980. By continuing normal trade relations with China, we are neither providing China special treatment, nor are we endorsing China's policies. The United States is the only major country that does not extend permanent normal trade relations with China. China is also the world's largest economy that is not subject to the World Trade Organization's trade liberalization requirements.

The vast majority of Members voted to granted PNTR status to China last year. This action is critical to advancing China's accession to the WTO, which will bring the Chinese into a rules-based trading system. It would also enable U.S. consumers and businesses to gain access to the broadest range of goods and services from China at the lowest prices. Restricting trade will only force our consumers to pay higher prices.

Continuing normal trade relations with China serves our best economic interests. Approximately 200,000 U.S. jobs are tied directly to U.S. exports to China. Without this relationship, we would be placing American firms at a severe competitive disadvantage. American companies are setting an example in China. They are offering good jobs, fair compensation, and strong worker protections.

While I share the concerns expressed by many of our colleagues regarding human rights abuses in China, discontinuing normal trade relations will not improve human rights in China. Instead of isolating China, we should be exposing the Chinese people to Western ideas and the rule of law.

Bringing China into the global free enterprise economy will shine a much-needed light on its government. Last week's decision by the International Olympic Committee to award China the bid for the 2008 games will put more pressure on the Chinese leadership to prove it is worthy of the designation and the international attention.

Promoting normal trade and continued economic engagement over time will help open up China's economy and society. The way we engage the Chinese Government will help determine whether China assimilates into the community of nations or becomes more isolated and unpredictable. By revoking NTR with China, we would be standing alone on a trade policy that neither our allies nor trade competitors would follow. Our competitors would gain an advantage, consumers would pay higher retail prices, the Chinese people would suffer, and economic and political reform in China would be arrested.

In short, we have much to lose and little to gain by failing to continue our current trading relationship with China. We should reject this resolution, and we should support continuing normal trade relations with China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Ohio (Mr. TRAFICANT), who knows it is not right for U.S. taxpayers to subsidize businesses to close up here and set up shop on the mainland of China.

Mr. TRAFICANT. Mr. Speaker, let us get to the point: China is a communist dictatorship. China has threatened Taiwan, and even Los Angeles. As we speak, China is shipping arms to Cuba. China has just signed an agreement with Russia. China held 24 Americans hostage, no matter how you want to state it. China stole our secrets. China just recently illegally bought U.S. microchips to make more missiles. China already, according to the Pentagon, has missiles aimed at American cities. Hey, China is on record, according to the Pentagon, as referring to Uncle Sam as imperialist and, quote-unquote, ''the enemy.''

Now, if that is not enough to spoil your stir-fry, China is taking $100 billion in trade surplus a year out of America. And we might laugh, but I believe that the Congress of the United States, with American taxpayer dollars, is funding World War III. World War III.

A dragon does not negotiate with its prey; a dragon kills its prey. When are we going to wise up around here? China's record speaks for itself.

My God, even the Pentagon bought the black berets from China. On the Mall, the symphony was performing on Independence Day, and vendors were passing out plastic Old Glories made in China.

The last I heard, we were referred to around the world as Uncle Sam. So help me God, the way we are acting, the world is beginning to look at America as Uncle Sucker.

I will have no part of this. There is an old saying: ''Better dead than red.'' This is a communist dictatorship. I want to give credit to former President Reagan, who crippled and dismantled communism, brought the Berlin Wall down, destroyed and destructed what he called that Evil Bear, the Soviet Union. And what we have done in the last 3 years, we not only reinvented communism, we are now starting to subsidize it. And, by God, we are funding, I believe, and I warn this Congress, a future World War III; and we had better be careful.

With that I thank the gentleman for his time, and I support this resolution, and I think this resolution is more important than the consideration it is getting very flippantly from some economists in America.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I do rise in opposition to the resolution that would revoke normal trade relations with China. I think very clearly doing this would be a destabilizing factor in our relationship. I am sure that is the intention of those who have this resolution today. I think it would steer China on a certain course towards isolationism and nationalism, and I would think that those who support this resolution certainly do not independent intend that to happen, because that certainly is not in the interests of either country. That would be counterproductive, certainly to our own economic and to our foreign policy interests.

There is nothing new in the debate really this year from what we had last year when we passed permanent normal trade relations. Nothing has changed since then. The reasons we supported PNTR last year are equally as valid as they were a year ago, and I say that despite the recent storms that we have had in U.S.-China relations. The recent downing of our aircraft and the holding of the plane and the crew for an inordinate length of time does not change the reasons that we need to have normal trade relations with that country.

We must remember that if China is going to become a member of the World Trade Organization, it has to make dramatic policy changes. As a result, its economy is going to become more and more open, more and more capitalistic, in the future. Free market

forces are growing and they are getting stronger in China. Economic liberty is on the rise, and that is exactly the course we want to help China navigate.

If the U.S. revokes normal trade relations, it would be devastating to China's economic progress and hurt American consumers and workers in the process.

I heard here earlier about how this is about the almighty dollar; and I say no, it is not about that. This is about making sure that China continues on a path towards opening its political and its economic system; and, yes, it does help American workers in the process.

Mr. Speaker, I urge Members of the House to oppose this resolution and to defeat it.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), who has fought human rights abuses in this country and wants to stop human rights abuses in China.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague for yielding me time.

Mr. Speaker, I rise today in support of the resolution. We must stand up for human rights and democracy throughout the world; not only here at home, but around the world.

Where is the freedom of speech? Where is the freedom of assembly? Where is the freedom to organize? Where is the freedom to protest? Where is the freedom to pray? It is not in China.

China continues to violate the human rights of its citizens. They continue to arrest people for practicing their own religion. They arrested two elderly bishops and 22 other Catholics at Easter, and more than 200 Falun Gong members have died in custody since 1999. They continue to execute their own people, nearly 1,800 people in the last 3 months alone. They continue to imprison hundreds of people who participated in the pro-democracy protests of 1989. They continue to detain United States citizens without explanation. And we continue to reward China.

What message are we sending to China? What message are we sending to the rest of the world? The people of China want to practice their own religion. They want to speak their mind. They want to live in a free and open and democratic society.

If we stand for civil rights in America and other places in the world, we must stand for human rights in China and speak for those who are not free to speak for themselves. Today, with our vote, we have an opportunity to speak for the dignity of man and for the destiny of democracy.

Now, I believe in trade, free and fair trade; but I do not believe in trade at any price, and the price to continue to grant normal trade relations with China is much too high.

Mr. Speaker, I urge all of my colleagues to support this resolution and send a message to China.

Mr. LEVIN. Mr. Speaker, I yield 6 minutes to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

□ 1700

Mr. MCDERMOTT. Mr. Speaker, I rise to oppose this resolution. I brought this glass of water out here because, when we look at it, it is not quite clear whether it is half full or it is half empty. This debate is really a half-full, half-empty debate.

I went to China first in 1977 with the first legislative delegation that got into China after Mao died in 1976. There were about 25 of us State legislators who traveled all over China. The Chinese people at this point dressed in either gray, if they were in the government; or blue, if they were a peasant; or green, if they were in the army. You could look around the whole place and there was not anything but gray and blue and green.

In 1982, I went back to China with a group from Seattle to establish a sister city relationship with Chungking. I was one of the five official delegates who did that. We went to the largest city in China, Chungking in the west. At that point, immediately one noticed two things. One was people's clothing had begun to change. People were allowed to have a little free expression here and there. The second thing that happened was that people were not afraid to come up and talk in English.

When we had been there in 1977, people who had been trained in Bible schools and all sorts of places in the United States and spoke good English were afraid to speak to you in the street in English. In 1982, that had changed. They were talking about development of free trade zones in Tianjin and other places in China.

I went back to China in 1992, and the changes were even more dramatic in terms of the change in people's dress, the change in people's behavior. They were having dancing classes, doing western ballroom dancing out in the street in front of the Shanghai hotels.

Now, we say that is all superficial, but it is very indicative of the changes that are occurring in China.

Now, if I were to tell my colleagues that there were labor leaders in one of the states of China that had formed a union and they worked on the docks and they did not like the way things were going so they called a strike, and the governor of the State, the State Attorney General, actually, were to put those labor leaders in house arrest for an entire year for having a strike, I am sure somebody would be out here jumping up and down and telling me all about these terrible human rights violations going on in China.

The description I just gave my colleagues is going on in South Carolina today. A black longshore union down in South Carolina has three or four labor leaders under house arrest for a year while the Attorney General runs for governor and uses them as his bait.

Now, the Bible says that before you talk about the mote in our brother's eye, look at the plank in your own eye. We are not clean on all of these issues of human rights, and giving everybody opportunity. The Chinese have changed dramatically since 1977 when I first went there. Have they a long way to go? Of course.

I have been to India and seen the Dalai Lama, seen the people who have fled from Tibet who live in Katmandu. I have seen all of the aspects of this. Many of them live in Seattle. And those are not right situations.

And none of us who think we ought to keep the pressure on the Chinese to change, none of us who are supportive, at least none that I know who are supportive of continuing a trade relationship with China, for 1 minute condone what is happening in Tibet or what is happening in a variety of slave situations in forced labor camps, none of that. But to walk away and say to one-fifth of the world's population, we have no interest in you, go your own way, do whatever you want; until you do it our way, we are not going to talk to you. We tried that.

My Senator, Warren Magnuson, who was here for 44 years, said, the biggest mistake we ever made was in 1947 when Mao put his hand out to the United States and said he wanted to work with us, and we said, no, you are a Communist. We will not deal with a Communist.

We closed the door on China from 1946 until a Republican President showed up. I mean, I do not have many good things to say about Richard Nixon, but I will say he had the courage to go and reopen the door and say, closing the door does not work. We have lots of proof of that. And to go back to the pre-1972 era is simply not in either in our best interests or in the world's best interests.

If the gentleman from Ohio is correct, that the Chinese are this great, fearful dragon, I think they are mythical animals, but, anyway, if they are really a fear to us, it is much better that we know them, that we are talking with them, that we are involved with them, and that we are using trade as a way to get them to adopt the rules of a civil world society, that is, the World Trade Organization.

Everybody plays by the same rules. They have to make changes for that to work in the WTO. They cannot continue the way they have been, and they have not. They have been going gradually, not as fast as we would like, but the next time somebody tells us something has not changed in China in 10 years, remember, they have been there 6,000 years. They do not do things in a minute.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

This is a cup that, as we can all see, is empty, but I will submit to my colleague that there will be many people who will try to tell you that there is water in this cup. No. It is an empty

cup. And no matter how much we would like it to be filled with water, it is not filled with water. No matter how much we would like to say that there has been human rights progress in China, there has been no human rights progress in China.

In fact, the situation has retrogressed in the last few years. Japan was becoming highly westernized in the 1920s and 1930s. Berlin became a real party town compared to what it was when they were real poor and went through their economic hard times. Did this make Japan and Germany any less a threat to world peace? No. Today, China is, yes, advancing economically, but the money is being used by the militaristic elite to prepare for war and to attack the United States.

Mr. Speaker, I yield 3½ minutes to the gentleman from Colorado (Mr. TANCREDO).

Mr. TANCREDO. Mr. Speaker, I thank the gentleman for yielding me this time.

It is historically accurate to say, I believe, that political freedom can influence economic vitality. I think that that is a provable point. I think it is much more difficult to try to prove the opposite, that, in fact, economic freedom can somehow force political freedom. It is a very difficult thing to do, just as my colleague has described. In the past, economic freedom, economic vitality did not lead ipso facto to political freedom, which is the case that is made over and over in defense of NTR. It will not necessarily work that way.

The gentleman from California earlier, in opposition to this bill, suggested that we have to deal with the fact that China is an emerging nation. Wow. Pretty profound. It is, in fact, yes, it is an emerging nation. No one can deny that. No one does deny that.

What kind of an emerging nation is China? It is a nation that in the last year has increased military capabilities to threaten Taiwan; exploded a neutron bomb a little over a year ago, that event went widely unpublicized; constructed 11 naval bases around the Spratley and Paracel Island group; convicted a U.S. scholar of spying for Taiwan; jailed or exiled every major dissident in China; closed or destroyed thousands of unregistered religious institutions; arrested 35 Christians for worshipping outside the official church and sentenced them indefinitely to forced labor camps; expanded the total number of slave labor camps to around 1,100; expanded the industry of harvesting and selling human organs.

The government intensified crackdowns in the treatment of political dissidents in Tibet; suppressed any person or group perceived to threaten the government. Hundreds of Falun Gong have been imprisoned. Thousands of practitioners remained in detention or were sentenced to reeducation-through-labor camps or incarcerated in mental institutions. China has increased the number of extrajudicial killings; increased the use of torture, forced confessions, arbitrary arrest and detention, the mistreatment of prisoners, lengthy incommunicado detention, and the denial of due process.

In May, the U.N. Committee Against Torture issued a report critical of continuing serious incidents of torture, especially involving national minorities; and, of course, last but not least, forced down an American plane and held 24 Americans hostage.

This since we passed PNTR. This is the result. This is what we got for doing what we did. What can we expect, do my colleagues think? I quake to think what we can expect from a continued relationship of this nature.

Trade. The issue of trade has come up so many times. The term trade we throw around here so lightly implies a two-way street. It implies an action we take, they take. We sell, they buy. No, it is not what is happening. Mr. Speaker, $100 billion later we explain to the rest of the world that this trade has not worked out to our advantage. And what makes us think that it ever will?

I suggest only this: Please, when the gentleman earlier said that companies are setting an example in China, he is right, and here is the example they are setting. Those companies are putting profit above patriotism. Please do not encourage that kind of behavior. Vote for this resolution.

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

Mr. Speaker, I rise in strong opposition to H. J. Res. 50, which would terminate Normal Trade Relations with China 60 days after enactment. This resolution jeopardizes the jobs and livelihoods of nearly 400,000 American workers and their families who depend upon trade with China. It also sells out millions more Chinese striving hard to reform a nation with an exceptionally complex and painful past, and for what? Let me suggest that there is a better way.

Commercial engagement with China has been and continues to be the cornerstone of America's productive and maturing relationship with China. Since the historic 1979 U.S.-China Agreement on Trade, every American President has understood the importance of integrating China and its one-fifth share of humanity into the international system. Since the end of the destructive Maoist era, I believe that China has been experiencing nothing less than a ''great awakening.'' In ever-larger strides China has proceeded to open its doors to free enterprise and engage in international trade and commerce, now reaching $500 billion per year.

On October 10 last year, President Clinton signed legislation that terminated the provision of the 1974 Jackson-Vanik statute that requires the annual consideration of China's Normal Trade Relations status, NTR. By a vote of 237 to 197, the House voiced its unwavering, bipartisan support for the reforms taking place in China and committed to extend Permanent Normal Trade Relations, PNTR, status to China when it becomes a member of the World Trade Organization.

Under the accession agreement, our tariffs on Chinese imports will not change, while Chinese tariffs on our exports will be sharply reduced, giving us access to 1.2 billion customers. This agreement also requires China to undertake a wide range of market-opening reforms to key sectors of its economy still under state control, covering agriculture, industrial goods and services.

On June 11, Ambassador Zoellick reached a breakthrough agreement with China on most of our remaining bilateral trade liberalization issues. In light of the progress made so far, it is very possible that China will become a WTO member by the end of this year. Therefore, it appears that Congress needs to reauthorize NTR status one last time for the span of just a few months.

□ 1715

In light of our historic PNTR vote last fall, we must keep moving forward toward our common goal of integrating China into the international system of rules and standards. After 15 years, we are almost there.

Mr. Speaker, relations with China this year have been anything but smooth. We are all angered and frustrated by the two steps forward, one step backward behavior of the Beijing government. The world expects much more from China.

Yet, denying China NTR will not bring about political and religious freedom for the Chinese. In fact, it will have a quite opposite effect. A better way to America's long-term national security interests in China and the Asian region will be to help China begin this century on an economic reform path shaped and refined by the economic trade rules of the WTO, and I urge a no vote on House Joint Resolution 50.

Mr. Speaker, I ask unanimous consent for the gentleman from Illinois (Mr. WELLER) to control the time on our side.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to my friend, the gentleman from New Jersey (Mr. PASCRELL), who believes we should not reward a nation that uses slave labor to sell products to the United States.

Mr. PASCRELL. Mr. Speaker, we need to expect more from ourselves first of all, not the Chinese government. I do not need the unions to tell me what to do on this issue, I do not need the churches, the synagogues, I do not need environmental groups, because this is what I carry with me, the Constitution of the United States, since I raised my hand.

This is what this is all about, article 1, Section 8. It gives to the Congress of

the United States the power to deal in trade.

What we are doing, this is the last vote we are ever going to have on this issue. Think about that, Members, we are not going to be able to change anything. This is the last vote that we are going to have on trade with China.

We, who have been voted by the public not the trade representatives of the United States, who did not stand for election, I stood for election, the Members stood for election, we stood for election, we have an obligation to fulfill the duties and responsibilities of the Constitution.

To China, I say I thank them for returning a New Jersey citizen they detained for 5 months without cause. I thank them. The opponents of this resolution will call this unfortunate. For this noble act, not only do they deserve the Olympics in 2008, but please take a continuation of the most-favored-nation status.

Has China done anything to warrant our continuation of most-favored-nation status? No. The Chinese government has abused its citizens, tortured its prisoners, held Americans hostage, and is doing its part to destroy the Earth's environment.

We must not reward these heinous actions by giving them American jobs, exporting them one after the other.

I plead with my colleagues, Mr. Speaker, to take a small step, a temporary step, and revoke MFN that the Chinese want and do not deserve.

Mr. SANDERS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I hear this debate; and some of it bothers me because I do not want to go back to the Cold War. I do not want to bring about new hostilities between the United States and China and other countries of the world. I do not think the United States should be the Big Brother of the world. I do not think that we have all the answers in the world, as well.

I am for fair trade, I am for free trade, and I am in support of the normal trade relations with China. We know the importance of trade. Can Members imagine not trading with a country with a population of 1.3 billion people? They are on a land area approximately the same size as the United States. The only difference is, we have about 300 million people and they have 1 billion more people than we have. They have one-fifth of the world's population.

Yet, we are saying because we do not necessarily like their human rights record, which I do not, and they do not have the same democratic principles as the United States, that we are not going to trade with them under normal trade relations?

We do not need to raise the walls of isolation and separatism. I believe that the best approach to improving our relationship with the most populous country in the world is through diplomatic and economic channels. Revoking trade relations with China jeopardizes the U.S. economy. The expansion of markets abroad for U.S. goods and services is critical to sustaining our country's economic expansion.

The United States has a lot of softness, do we not, in our economy today? We do not need to worsen it. It most certainly will hurt American workers, who will see their jobs disappear if exporting opportunities to China are lost.

A policy of principled, purposeful engagement with China remains the best way to advance U.S. interests. Extending to China the same normal trade relations we have with virtually every country in the world will promote American prosperity and security and foster greater openness in China.

We have serious differences with China, and I will continue to deal forthrightly with the Chinese on these differences. But revoking normal trade relations would rupture our relationship with the country of China. As we foster a better relationship with the Chinese based on trade and commerce and diplomacy, we can also work to establish increased freedoms and democracy for the 1.3 billion people that live there.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF), a leader of the Human Rights Caucus, who has been a champion of human rights here in the Congress.

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

Mr. WOLF. Mr. Speaker, I rise in support of the resolution and in opposition to PNTR.

In some respects, listening to the debate in my office and reading about it, this reminds me of the time when Winston Churchill used to rise in the House of Commons to talk about the threat of Nazi Germany. They did not listen to Winston Churchill; and frankly, I do not think the country is listening today.

This is an issue of values. Mary McCrory in The Washington Post said the other day in her column, ''We talk human rights, but we act like shopkeepers. We are listening to the cash register.''

We are listening to the sounds of the cash register, but we are not listening to the Catholic bishops, ten of them, that are in jail, and one because he gave holy communion to the gentleman from New Jersey (Mr. SMITH), and he still has not gotten out. We are not listening to the sounds of agony of the Protestant pastors. Those who said they care about the church and the persecution, we listen to the sound of the cash registers.

They get down here and talk about the Dalai Lama in Tibet. I have been there and I have seen the persecution of the Muslims, but we are listening to the cash registers.

Harry Wu will tell us, when the gentleman from New Jersey (Mr. SMITH) and I went to Beijing Prison Number 1, where there were 40 Tiananmen Square demonstrators, and some are still there, but we listen to the sounds of the cash registers.

For this side of the aisle, we name buildings after Ronald Reagan, but if we want to honor Ronald Reagan we should vote NTR down. Ronald Reagan not only did not give MFN to the Soviet Union; in 1986, he took away MFN for Romania. It was my bill, and the bill of the gentleman from New Jersey (Mr. SMITH) and the gentleman from Ohio (Mr. HALL).

Ronald Reagan understood. He never gave it to them. He talked about values. The Soviet Union did not because we gave them MFN, the Soviet Union fell because Ronald Reagan stood up to them, the Pope stood up to them, the AFL–CIO and Lane Kirkland stood up to them, and not just grant them trade.

We talk about freedom,we talk about human rights. But as Mary McCrory said, ''Frankly, this Congress and this country,'' and quite frankly, the Bush administration, the Bush administration had better be careful it does not emulate the Clinton administration. Clinton talked about it but did nothing about it. This administration had better be careful. We talk about human rights, we act like shopkeepers. We are just listening to the cash registers, not to the bishops, not to the pastors, not to the Members of Congress, not to the people in the slave labor camps.

There are more slave labor camps in China today than there were when Solzhenitsyn wrote the book Gulag Archipelago. Let us listen to them and not to the cash registers.

Mr. Speaker, I think it is time we as a legislative body face reality about the People's Republic of China. We've annually debated trade relations with China. We've heard about human rights abuses, religious persecution, nuclear arms sales. And it has annually been the will of the Congress that we engage in trade with China with the expectation that human rights would improve and that China would get on the road to democracy.

But the expectations have fallen far short. As we have increased trade, the human rights situation in China has grown worse. For the past two years, the Department of State's annual report on human rights in China has stated this clearly, saying: ''the Government's poor human rights record has deteriorated markedly'' and ''the Government's poor human rights record worsened, and it continued to commit numerous serious abuses.''

Giving China most favored nation status hasn't changed for the better the lives of thousands of men and women languishing in forced labor prison camps. Human rights violations in China are about people who are suffering. Human rights violations in China are about people of faith being thrown into a dismal prison cell because of their faith.

When China violates its own citizens' human rights, people die, people suffer and families are torn apart.

I recently read the graphic testimony of a Chinese doctor who participated in the removal of organs and skin from executed prisoners in China. Dr. Wang Guoqi was a skin

and burn specialist employed at a People's Liberation Army hospital. He recently testified before the House International Relations Subcommittee on International Organizations, and Human Rights on the Government of China's involvement in the execution, extraction, and trafficking of prisoner's organs.

Dr. Wang writes that his work ''required me to remove skin and corneas from the corpses of over one hundred executed prisoners, and, on a couple of occasions, victims of intentionally botched executions.''

What kind of government skins alive and sells the organs of its own citizens?

The Government of China also persecutes and imprisons people because of their religious beliefs. The U.S. Department of State recently sent me a letter, on the status of religious freedom in China, which I enclose for the record. This letter states that the Government of China persecutes believers of many faiths, including Roman Catholics, Muslims, Tibetan Buddhists and Protestant Christians.

It is estimated that some ''ten Catholic Bishops, scores of Catholic priests and [Protestant] house church leaders, 100–300 Tibetan Buddhists, hundreds (perhaps thousands) of Falun Gong adherents, and an unknown but possible significant number of Muslims are in various forms of detention in China for the expression of their religious or spiritual beliefs.''

What kind of government imprisons its nation's religious leaders?

Compass Direct, a news service that monitors international religious freedom reports that ''Christian leaders in both the unofficial house churches and the registered 'Three Self' churches in eastern China confirmed . . . that there is increased pressure against the church in China.''

When China violates its own citizens' human rights, people die, people suffer and families are torn apart.

Today is the 159th day a mother and wife and permanent U.S. resident has spent in a Chinese jail. Dr. Gao Zhan is a researcher at American University here in Washington, D.C. She is my constituent. She studies women's issues. One hundred and fifty-nine days ago, Chinese authorities detained Gao Zhan and her husband and their 5-year-old son, Andrew. In the matter of an instant, this happy young family was torn apart by the regime in Beijing. A 5-year-old child was taken from his parents, a young couple was divided by prison walls and armed guards. Imagine how you would feel if the Government of China did this to your family. Imagine how you would feel if the Government of China put your 5-year-old son in prison.

What kind of government imprisons mothers who are academic experts on women's issues?

News reports indicate that the Government of China is due to deport American citizen Li Shaomin, whom the Chinese have imprisoned for several months and whom they recently convicted of espionage. While I am hopeful that Li Shaomin will be released, I also call on the Chinese Government to immediately release Gao Zhan, mother, scholar and devoted wife. I also call on the government of China to release the remaining American permanent residents and citizens it has arrested on trumped-up charges, including Wu Jianmin, Tan Guangguang, Teng Chunyan, Liu Yaping and others.

Last year during the debate on PNTR, I expressed concern ''about the alliance that seems to be forming between China and Russia against the U.S.'' Now, this week, Russia and China have signed a treaty of ''Friendship and Cooperation'' that I enclose for the RECORD. Article 9 of this treaty outlines what China and Russia mean by agreeing to ''friendship'' and ''cooperation'':

Article 9. If one party to the treaty believes that there is a threat of aggression menacing peace, wrecking peace, and involving its security interests and is aimed at one of the parties, the two parties will immediately make contact and hold consultations in order to eliminate the threat that has arisen.

China is purchasing sophisticated weapons systems from Russia that could place in harm's way, the lives of U.S. service members and U.S. capabilities in Asia. Russia has sold China an ''estimated $1.5 billion worth of weapons contracts last year alone,'' according to a July 12 article from Jane's Defense Weekly. Jane's also reports that ''strategic cooperation between Beijing and Moscow has also extended beyond their bilateral relationship to include neighboring states . . . for cooperation on military and other issues.''

Jane's also reports that the PLA has increased its official defense budget by 18 percent this year and that ''the [Chinese] military enjoys additional funding from other classified government programmes, such as for foreign arms procurements and weapons research and development.''

China has exported weapons of mass destruction and missiles in violation of treaty commitments. The director of the CIA has said that China remains a ''key supplier'' of these weapons to Pakistan, Iran and North Korea. Other reports indicate China has passed on similar weapons and technology to Libya and Syria. If one of these countries is involved in a conflict, it is very possible that these weapons of mass destruction could be targeted against American troops.

There have been numerous reports that the Chinese military views the U.S. as its primary threat. Evidence of this militaristic view toward the U.S. may be seen in China's unacceptable behavior in the downing of the U.S. surveillance aircraft and detainment of the crew. China's behavior in this incident and its subsequent piecemeal dismemberment of the aircraft by the Chinese is an affront to the U.S. and is further evidence that China views the U.S. as a threat.

In light of the downing and detainment of the U.S. surveillance aircraft and crew, in light of the new Russian-Chinese treaty, in light of China's increased military budget, because of China's proliferation of weapons of mass destruction, because of China's viewing the U.S. as being their primary threat, why would Congress want to give China normal trade relations (NTR) and all the benefits that come with NTR? Giving China NTR will give away any leverage the U.S. has on these and other issues of concern.

Successive Presidents and previous Congresses have acted to trade with the People's Republic of China expecting China's human rights record to improve and the growth of democracy. After nearly two decades in which China has received most favored nation status, it is clear religious freedom, human rights and democracy have been given lip service by the Chinese government.

If the U.S. wants to help bring democracy to China, it cannot continue to give China a blank check in the form of normalized trade relations. As Lawrence F. Kaplan writes in a July 9 article from The New Republic, ''. . . to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something must create it.'' I enclose it for the record.

It is clear that many years of giving China NTR has not helped advance democracy in China. Arguably, giving China NTR has made the prospects for democracy in China worse and may actually be standing in the way of creating democracy in China.

It is time to try something new in our China policy. If the U.S. wants to see the growth of democracy and see China's human rights record to improve, the U.S. ought to review trade relations with China on an annual basis, until the Chinese government proves that it will treat its own people, its mothers, fathers, religious leaders and even common criminals with the dignity, compassion and respect that all human life deserves.

Mr. Speaker, I include for the RECORD an article and a letter relating to human rights and trade with China:

WHY TRADE WON'T BRING DEMOCRACY TO CHINA

(By Lawrence F. Kaplan)

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter haven't heard from him since. That's because, for four months now, Li has been rotting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the theme of his writings, published in subversive organs like the U.S.-China Business Council's China Business Review, is optimism about China's investment climate. Li, it turns out, proved too optimistic for his own good. In addition to rewarding foreign investors, he believed that China's economic growth would create, as he put it in a 1999 article, a ''rule-based governance system.'' But as Li has since discovered, China's leaders have other plans.

Will American officials ever make the same discovery? Like Li, Washington's most influential commentators, politicians, and China hands claim we can rely on the market to transform China. According to this new orthodoxy, what counts is not China's political choices but rather its economic orientation, particularly its degree of integration into the global economy. The cliche has had a narcotic effect on President Bush, who, nearly every time he's asked about China, suggests that trade will accomplish the broader aims of American policy.

Bush hasn't revived Bill Clinton's recklessly historical claim that the United States can build ''peace through trade, investment, and commerce.'' He has, however, latched onto another of his predecessor's high-minded rationales for selling Big Macs to Beijing—namely, that commerce will act, in Clinton's words, as ''a force for change in China, exposing China to our ideas and our ideals.'' In this telling, capitalism isn't merely a necessary precondition for democracy in China. It's a sufficient one. Or, as Bush puts it, ''Trade freely with China, and time is on our side.'' As Congress prepares to vote for the last time on renewing China's normal trading relations (Beijing's impending entry into the World Trade Organization will put an end to the annual ritual), you'll

be hearing the argument a lot: To promote democracy, the United States needn't apply more political pressure to China. All we need to do is more business there.

Alas, the historical record isn't quite so clear. Tolerant cultural traditions, British colonization, a strong civil society, international pressure, American military occupation and political influence—these are just a few of the explanations scholars credit as the source of freedom in various parts of the world. And even when economic conditions do hasten the arrival of democracy, it's not always obvious which ones. After all, if economic factors can be said to account for democracy's most dramatic advance—the implosion of the Soviet Union and its Communist satellites—surely the most important factor was economic collapse.

And if not every democracy emerged through capitalism, it's also true that not every capitalist economy has produced a democratic government. One hundred years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysia, capitalist development has buttressed, rather than undermined, authoritarian regimes. And these models are beginning to look a lot more like contemporary China than the more optimistic cases cited by Beijing's American enthusiasts. In none of these cautionary examples did the free market do the three things businessmen say it always does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populace to liberal ideals from abroad. It isn't doing them in China either.

One of the most important ways capitalism should foster democracy is by diminishing the power of the state. Or, as Milton Friedman put it in *Capitalism and Freedom.* ''[t]he kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.'' In his own way, Bush makes the same point about China: ''I believe a whiff of freedom in the marketplace will cause there to be more demand for democracy.'' But the theory isn't working so well in the People's Republic, whose brand of capitalism isn't quite what Adam Smith had in mind.

China's market system derives, instead, from a pathological model of economic development. Reeling from the economic devastation of the Mao era, Deng Xiaoping and his fellow party leaders in the late 1970s set China on a course toward ''market socialism.'' The idea was essentially the same one that guided the New Economic Policy in Soviet Russia 50 years before: a mix of economic liberalization and political repression, which would boost China's economy without weakening the Communist Party. And so, while leaving the party in control of China's political life, Deng junked many of the economy's command mechanisms—granting state-owned enterprises more autonomy, opening the country to limited investment, and replacing aging commissars with a semiprofessional bureaucracy. The recipe worked well: China has racked up astronomical growth rates ever since. And democracy seems as far away as ever.

The reason isn't simply that government repression keeps economic freedom from yielding political freedom. It's that China's brand of economic reform contains ingredients that hinder—and were consciously devised to hinder—political reform. The most obvious is that, just as the state retains a monopoly on the levers of coercion, it also remains perched atop the commanding heights of China's economy. True, China has been gradually divesting itself of state-owned enterprises, and the process should quicken once China enters the World Trade Organization (WTO). But Beijing's leaders have said they will continue to support China's most competitive and critical industries. Taking a cue from authoritarian South Korea during the 1980's, China's leaders have proposed sponsoring industrial conglomerates in crucial sectors of the economy, transformed industrial ministries into ''general associations,'' merged failing state-owned firms with more successful ones, and established organizations to, as Chinese economist Xue Muqiao has put it, ''serve as a bridge between the state and the enterprises.''

But that's where any similarities with South Korea end. Unlike South Korea, the Philippines, and Taiwan, which evolved from authoritarianism (and did so, significantly, as de facto protectorates of the United States), China even today has no effective system of property rights—a signature trait that distinguishes its Communist regime from traditional authoritarian ones. The absence of a private-property regime in China means that, at the end of the day, the state controls nearly the entire edifice on which China's ''free'' markets rest. It also means that China's brand of capitalism blurs, rather than clarifies, the distinction between the public and the private realms on which political liberty depends. Nor is that the only requisite for democracy that China's markets lack. As the imprisonment of Li Shaomin and thousands of other political prisoners attests, capitalism in the PRC still operates within the confines of an arbitrary legal order and a party-controlled court system. ''China is still a lawless environment,'' says University of Pennsylvania sinologist Arthur Waldron. ''Whether in terms of individual rights or the rights of entrepreneurs, interests are protected not by institutions but by special relationships with those in power.''

Before he was arrested, Li diagnosed this condition as ''relation-based capitalism.'' What he meant was that relations with government officials, not property rights or the rule of law, underpin the Chinese market. Because the political foundations of China's economy remain the exclusive property of the state, China's entrepreneurs operate with a few degrees of separation, but without true autonomy, from the government. Hence, capital, licenses, and contracts flow to those with connections to officials and to their friends and relatives, who, in turn, maintain close relations with, and remain beholden to, the regime. Their firms operate, in the words of Hong Kong-based China specialist David Sweig, ''[l]ike barnacles on ships, . . . draw[ing] their sustenance from their parastatal relationships with the ministries from which they were spun off.''

Helping to keep all these distortions in place are Deng's functionaries, who now constitute the world's largest bureaucracy and still control the everyday levers of the Chinese economy. Today, they function as the engines and administrators of a market increasingly driven by skimming off the top. The foreign-trade sector offers particularly easy pickings. In 1995, for instance, the World Bank found that while China's nominal tariff rate was 32 percent, only a 6 percent rate was officially collected. Presumably, much of the difference went into the pockets of Chinese officials. And even though WTO accession will reduce opportunities for rent-seeking from inflated trade tariffs, China's bureaucracy will be able to continue siphoning funds from distorted interest rates, the foreign exchange markets, and virtually any business transaction that requires its involvement—which is to say, nearly every business transaction. Nor is the problem merely the corrupting influence these bureaucrats wield over China's markets. The larger problem is that, whereas in the United States the private sector wields enormous influence over the political class, in China the reverse is true.

For precisely this reason, Washington's celebrations of the democratic potential of the new Chinese ''middle class'' may be premature. ''Entrepreneurs, once condemned as 'counterrevolutionaries,' are now the instruments of reform. . . . [T]his middle class will eventually demand broad acceptance of democratic values,'' House Majority Whip Tom DeLay insisted last year. Reading from the same script, President Bush declares that trade with China will ''help an entrepreneurial class and a freedom-loving class grow and burgeon and become viable.'' Neither DeLay nor Bush, needless to say, invented the theory that middle classes have nothing to lose but their chains. In the first serious attempt to subject the ties between economic and political liberalization to empirical scrutiny, Seymour Martin Lipset published a study in 1959, Some Social Requisites of Democracy, which found that economic development led to, among other things, higher levels of income equality, education, and, most important, the emergence of a socially moderate middle class—all factors that promote democratization. More recent studies have found that rising incomes also tend to correlate with participation in voluntary organizations and other institutions of ''civil society,'' which further weakens the coercive power of the state.

But middle classes aren't always socially moderate, and they don't always oppose the state. Under certain conditions, late modernizing economies breed middle classes that actively oppose political change. In each of these cases, a strong state, not the market, dictates the terms of economic modernization. And, in each case, an emerging entrepreneurial class too weak to govern on its own allies itself—economically and, more importantly, politically—with a reactionary government and against threats to the established order. In his now-classic study *Social Origins of Dictatorship and Democracy,* sociologist Barrington Moore famously revealed that, in these ''revolutions from above,'' capitalist transformations weakened rather than strengthened liberalism. In the case of nineteenth-century Japan, Moore writes that the aim of those in power was to ''preserve as much as possible of the advantages the ruling class had enjoyed under the *ancient regime,* cutting away just enough . . . to preserve the state, since they would otherwise lose everything.'' Japan's rulers could do this only with the aid of a commercial class, which eagerly complied, exchanging its political aspirations for profits. On this point, at least, Marx and Engels had things right. Describing the 1848 revolution in Germany, they traced its failure partly to the fact that, at the end of the day, entrepreneurs threw their support not behind the liberal insurrectionists but behind the state that was the source of their enrichment.

Much the same process is unfolding in China, where economic and political power remain deeply entwined. In fact, China's case is even more worrisome than its historical antecedents. In Germany and Japan, after all, an entrepreneurial class predated the state's modernization efforts, enjoyed property rights, and as a result, possessed at least some autonomous identity, In China, which killed off its commercial class in the 1950s, the state had to create a new one. Thus China's emerging bourgeoisie consist over whelmingly of state officials, their friends and business partners, and—to the extent they climbed the economic ladder independently—entrepreneurs who rely on connections with the official bureaucracy for there

livelihoods. ''It is improbable, to say the least,'' historian Maurice Meisner writes in *The Deng Xiaoping Era: An Inquiry Into the Fate of Chinese Socialism*, ''that a bourgeoisie whose economic fortunes are so dependent on the political fortunes of the Communist state is likely to mount a serious challenge to the authority of that state . . . the members of China's new bourgeoisie emerge more as agents of the state than as potential antagonists.''

A steady diet of chauvinistic nationalism hasn't helped. In the aftermath of the Tiananmen Square massacre, party leaders launched a ''patriotism'' campaign, a sentiment they defined as ''loving the state'' as well as the Communist Party. As the Shanghai-based scholar and party apologist Xiao Gongqin explains, ''[T]he overriding issue of China's modernization is how, under new historical circumstances, to find new resources of legitimacy so as to achieve social and moral integration in the process of social transition.'' To Xiao and others like him, the answer is nationalism. And, as anyone who turned on a television during the recent EP–3 episode may have noticed, it's working. Indeed, independent opinion polling conducted by the Public Opinion Research Institute of People's University (in association with Western researchers, who published their findings in 1997), indicate greater public support for China's Communist regime than similar surveys found a decade earlier. And, contrary to what development theory might suggest, the new nationalism appears to have infected the middle class—particularly university students and intellectuals—more acutely than it has China's workers and farmers. ''The [closeness of the] relationship between the party and intellectuals is as bad as in the Cultural Revolution,'' a former official in the party's propaganda arm noted in 1997. Even many of China's exiled dissidents have fallen under its spell.

In addition to being independent of the regime and predisposed toward liberal values, China's commercial class is supposed to be busily erecting an independent civil society. But, just as China's Communist system restricts private property, it prohibits independent churches and labor unions, truly autonomous social organizations, and any other civic institutions that might plausibly compete with the state. Indeed, China's leaders seem to have read Robert Putnam's Bowling Alone and the rest of the civil-society canon—and decided to do exactly the reverse of what the literature recommends. ''Peasants will establish peasants' organizations as well, then China will become another Poland,'' senior party official Yao Yilin reportedly warned during the Tiananmen protests. To make sure this fear never comes true, China's leaders have dealt with any hint of an emerging civil society in one of two ways: repression or co-optation. Some forbidden organizaions—such as Falun Gong, the Roman Catholic Church, independent labor unions, and organizations associated with the 1989 democracy movement—find their members routinely imprisoned and tortured. Others, such as the Association of Urban Unemployed, are merely monitored and harassed. And as for the officially sanctioned organizations that impress so many Western observers, they mostly constitute a Potemkin facade. ''[A]lmost every ostensibly independent organization—institutes, foundations, consultancies—is linked into the party-state network,'' says Columbia University sinologist Andrew Nathan. Hence, Beijing's Ministry of Civil Affairs monitors even sports clubs and business associations and requires all such groups to register with the government.

The same kind of misreading often characterizes celebrations of rural China's ''village committees,'' whose democratic potential the engagement lobby routinely touts. Business Week discerns in them evidence ''of the grassroots democracy beginning to take hold in China.'' But that's not quite right. China's leaders restrict committee elections to the countryside and, even there, to the most local level. Nor, having been legally sanctioned 14 years ago, do they constitute a recent development. More important, China's leaders don't see the elections the way their American interpreters do. In proposing them, says Jude Howell, co-author of In Search of Civil Society: Market Reform and Social Change in Contemporary China, party elites argued that elected village leaders ''would find it easier to implement central government policy and in particular persuade villagers to deliver grain and taxes and abide by family planning policy. Village self-governance would thus foster social stability and order and facilitate the implementation of national policy. By recruiting newly elected popular and entrepreneurial village leaders, the Party could strengthen its roots at the grassroots level and bolster its legitimacy in the eyes of the rural residents.'' Which is exactly what it has done. In races for village committee chairs, the Ministry of Civil Affairs allows only two candidates to stand for office, and until recently many townships nominated only one. Local party secretaries and officials often push their favored choice, and most committee members are also members of the Communist Party, to which they remain accountable. Should a nonparty member be elected, he must accept the guidance of the Communist Party, which, in any case, immediately sets about recruiting him. As for those rare committee members who challenge local party officials, their success may be gleaned from the fate of elected committee members from a village in Shandong province who in 1999 accused a local party secretary of corruption. All were promptly arrested.

Still, the very fact that China's leaders feel compelled to bolster their legitimacy in the countryside is telling. Last month Beijing took the unusual step of releasing a report ''Studies of Contradictions Within the People Under New Conditions,'' which detailed a catalogue of ''collective protests and group incidents.'' What the report makes clear is that Beijing's leaders think China's growing pool of overtaxed farmers and unemployed workers, more than its newly moneyed elites, could become a threat to the regime. Fortunately for the authorities, with no political opposition to channel labor unrest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching a ''strike hard'' campaign to quell any trouble. In any case, what these formerly state-employed workers have been demonstrating for is not less communism, but more—a return to the salad days of central planning.

Which brings us to the final tenet of the engagement lobby: that commerce exposes China to the ideals of its trading partners, particularly those of the United States. As House Majority Leader Dick Armey has put it, ''Freedom to trade is the great subversive and liberating force in human history.'' Or, as Clinton National Security Adviser Sandy Berger burbled in 1997, ''The fellow travelers of the new global economy—computers and modems, faxes and photocopiers, increased contacts and binding contracts—carry with them the seeds of change.'' But the Chinese disagree. To begin with, they don't import much. And economists predict that won't change dramatically once they've joined the WTO, since China's leaders have committed themselves to the kind of export-oriented, mercantilist growth model that South Korea, Japan, and Taiwan pursued in decades past. Last year, for instance, China exported $100 billion in goods and services to the United States and only imported $16 billion worth. Hence, for every six modems it sent to America, Sandy Berger sent back only one.

To be sure, that one modem may carry with it seeds of change. Bush, for instance, says, ''If the Internet were to take hold in China, freedom's genie will be out of the bottle.'' Alas, through links to Chinese service providers, Beijing tightly controls all access to the Web. And Western investors in China's information networks have eagerly pitched in. One Chinese Internet portal, bankrolled by Intel and Goldman Sachs, greets users with a helpful reminder to avoid ''topics which damage the reputation of the state'' and warns that it will be ''obliged to report you to the Public Security Bureau'' if you don't. But Goldman Sachs needn't worry. If anything, China's recent experience lends credence to the pessimistic theories of an earlier era, which held that nations shape the uses of technology rather than the other ways around. Thus Beijing blocks access to damaging ''topics'' and to Western news sources like *The New York Times, The Washington Post*, and this magazine. It also monitors e-mail exchanges and has arrested Internet users who have tried to elude state restrictions. And, in ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. ''Much as many people might like to think the Internet is part of a bottom-up explosion of individualism in China, it is not,'' writes Peter Lovelock, a Hong Kong-based academic who studies the Internet's effect in the PRC. Instead, it provides ''an extraordinarily beneficial tool in the administration of China.'' And that tool was on vivid display during the EP–3 crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. But, in this case, they're not even paraphrasing political science literature they haven't read because the literature makes no such claim. In fact, a 1983 study by the University of North Carolina's Kenneth Bollen found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and democracy. In China's case, it's easy to understand why. Beijing requires foreign investors in many industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in ''special economic zones'' set apart from the larger Chinese economy. Moreover, they export a majority of their goods—which is to say, they send most of their ''seeds of change'' abroad. At the same time, their capital largely substitutes for domestic capital (foreign-owned firms generate half of all Chinese exports), providing a much-needed blood transfusion for China's rulers, who use it to accumulate reserves of hard currency, meet social welfare obligations, and otherwise strengthen their rule. Nor is it clear that U.S. companies even want China to change. If anything, growing levels of U.S. investment have created an American interest in maintaining China's status quo. Hence, far from criticizing China's rulers, Western captains of industry routinely parade through Beijing singing the praises of the Communist regime (and often inveighing against its detractors), while they admonish America's leaders to take no action that might upset

the exquisite sensibilities of China's politburo. Business first, democracy later.

But ultimately the best measure of whether economic ties to the West have contributed to democratization may be gleaned from China's human rights record. Colin Powell insists, ''Trade with China is not only good economic policy; it is good human rights policy.'' Yet, rather than improve that record, the rapid expansion of China's trade ties to the outside world over the past decade has coincided with a worsening of political repression at home. Beijing launched its latest crackdown on dissent in 1999, and it continues to this day. The government has tortured, ''reeducated through labor,'' and otherwise persecuted thousands of people for crimes no greater than practicing breathing exercises, peacefully championing reforms, and exercising freedom of expression, association, or worship. It has arrested Chinese-American scholars like Li Shaomin on trumped-up charges, closed down newspapers, and intimidated and threatened dissidents. Nor is it true that linking trade and human rights will necessarily prove counterproductive. When Congress approved trade sanctions against Beijing in the aftermath of Tiananmen, China's leaders responded by releasing more than 800 political prisoners, lifting martial law in Beijing, entering into talks with the United States, and even debating among themselves the proper role of human rights. As soon as American pressure eased, so did China's reciprocal gestures.

Turning a blind eye to Beijing's depredations may make economic sense. But to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something, must create it. Often that someone is a single leader—a Mikhail Gorbachev, a King Juan Carlos, or a Vaclav Havel. But such a man won't be found in China's current leadership. Other times, the pressure for democracy comes from a political opposition—the African National Congress in South Africa, Solidarity in Poland, or the marchers in Tiananmen Square. But there are no more marchers in Tiananmen Square.

Pressure for democratization, however, can also come from abroad. And usually it comes from the United States or from nowhere at all. During the 1980s America applied diplomatic and economic pressure to repressive regimes from Poland to South Africa; intervened to prevent military coups in the Philippines, Peru, El Salvador, Honduras, and Bolivia; and loudly enshrined human rights and democracy in official policy. The United States played a pivotal and direct role in democratizing even countries like South Korea and Taiwan, which many China-engagers now tout as evidence that the market alone creates political freedom. Appropriately enough, the decade closed with democracy activists erecting a facsimile of the Statue of Liberty in Tiananmen Square.

The commercialist view of China, by contrast, rests on no historical foundation; it is a libertarian fantasy. ''The linkage between development and rights is too loose, the threshold too high, the time frame too long, and the results too uncertain to make economic engagement a substitute for direct policy intervention,'' writes Columbia's Nathan. Yet make it a substitute is precisely what the United States has done. And, far from creating democracy, this subordination of political principle has created the justified impression of American hypocrisy and, worse, given U.S. policymakers an excuse to do nothing.

Maybe the claim that we can bring liberty to China by chasing its markets will prove valid in the long run. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a democracy. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it wasn't capitalism that democratized them, and it certainly wasn't worth the wait. In China's case, too, no one really knows what might happen as we wait for politics to catch up with economics. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He's still in jail.

DEPARTMENT OF STATE,
Washington, DC, May 3, 2001.

Hon. FRANK WOLF,
Co-Chairman, Human Rights Caucus,
House of Representatives.

DEAR MR. WOLF: This is in response to your request of Acting Assistant Secretary Michael Parmly for additional information during his testimony before the Human Rights Caucus on May 15 on the status of religious freedom in China. We appreciate your concern about the recent deterioration of religious freedoms in China and the large number of persons held in China for the peaceful expression of their religious or spiritual views. We regret the delay in responding to your request for information, but we wanted to provide as comprehensive a list of these individuals as possible.

We currently estimate that roughly ten Catholic Bishops, scores of Catholic priests and house church leaders, 100–300 Tibetans Buddhists, hundreds (perhaps thousands) of Falun Gong adherents, and an unknown but possibly significant number of Muslims are in various forms of detention in China for the expression of their religious or spiritual beliefs. The forms of detention range from de facto house arrest to imprisonment in maximum security prisons. As you know, we regularly raise cases of religious prisoners with Chinese officials both here and in China. Our information about such cases comes from sources as diverse as religious dissidents, human rights NGOs, interested Americans and, most importantly, regular reporting from our embassies and consulates. Unfortunately, the opaqueness of the Chinese criminal justice system and absence of any central system that provides basic information on who is incarcerated and why makes it exceedingly difficult to determine the exact number of religious prisoners currently being held in China. We have, however, attached lists of cases of particular concern that we have raised with Chinese authorities or have included in our human rights and religious freedom reports.

We recognize the importance of compiling and maintaining a database of political and religious prisoners from additional sources such as Chinese newspapers and government notices and appreciate Congressional interest in providing us additional resources to fund such activities. At present, the Bureau for Democracy, Human Rights and Labor is discussing with the International Republican Institute a proposal which will be submitted through the National Endowment for Democracy. This proposal will be for a Human Rights and Democracy Fund grant specifically for the purpose of funding a U.S. NGO's efforts to develop and maintain a list of political and religious prisoners in China.

Such a database will be extremely valuable to the human rights work done not only by this bureau but also by other government agencies, the Congress, and NGOs. We welcome your interest in and support of this effort and look forward to cooperative efforts to develop and fund a comprehensive record of religious prisoners in China.

In the meantime, we hope the information in this letter and the attached lists are helpful to you. We would welcome any case information that you might have available that could improve the quality of this list.

Sincerely,

MICHAEL E. GUEST,
Acting Assistant Secretary,
Legislative Affairs.

Enclosure.

ILLUSTRATIVE LIST OF RELIGIOUS PRISONERS IN CHINA

NOTE: See comments in cover letter. The following illustrative list is compiled from various sources, including information provided to us by reputable non-governmental organizations and from the State Department's annual reports on human rights and on religious freedom. We cannot vouch for its overall accuracy or completeness.

MUSLIMS

Xinjiang Abduhelil Abdumijit: Tortured to death in custody.
Turhong Awout: Executed.
Rebiya Kadeer: Serving 2nd year in prison.
Zulikar Memet: Executed.
Nurahmet Niyazi: Sentenced to death.
Dulkan Rouz: Executed.
Turhan Saidalamoud: Sentenced to death.
Alim Younous: Executed.
Krubanjiang Yusseyin: Sentenced to death.

PROTESTANTS (MISC.)

Qin Baocai: Reeducation through labor sentence.
Zhao Dexin: Serving 3rd year in prison.
Liu Haitao: Tortured to death in custody.
Miao Hailin: Serving 3rd year in prison.
Han Shaorong: Serving 3rd year in prison.
Mu Sheng: Reeducation through labor sentence.
Li Wen: Serving 3rd year in prison.
Yang Xian: Serving 3rd year in prison.
Chen Zide: Serving 3rd year in prison.

EVANGELISTIC FELLOWSHIP

Hao Huaiping: Serving reeducation sentence.
Jing Quinggang: Serving reeducation sentence.
Shen Yiping: Reeducation; status unknown.

COLD WATER RELIGION

Liu Jiaguo: Executed in October 1999.

FENGCHENG CHURCH GROUP

Zheng Shuquian: Reeducation; status unknown
David Zhang: Reeducation; status unknown

CATHOLICS

Bishops

Bishop Han Dingxiang: Arrested in 1999, status unknown.
Bishop Shi Engxiang: Arrested in October 1999.
Bishop Zeng Jingmu: Rearrested on September 14, 2000.
Bishop Liu: House arrest in Zhejiang.
Bishop Jiang Mingyuang: Arrested in August 2000.
Bishop Mattias Pei Shangde: Arrested in early April 2001.
Bishop Xie Shiguang: Arrested in 1999; status unknown.
Bishop Yang Shudao: Arrested Feb. 2001; status unknown.
Bishop An Shuxin: Remains detained in Hebei.
Bishop Li Side: House arrest.
Bishop Zang Weizhu: Detained in Hebei.
Bishop Lin Xili: Arrested Sept. 1999, status unknown.
Bishop Su Zhimin: Whereabouts unknown.

Priets

Fr. Shao Amin: Arrested September 5, 1999.

Fr. Wang Chengi: Serving reeducation sentence.
Fr. Wang Chengzhi: Arrested September 13, 1999.
Fr. Zhang Chunguang: Arrested May 2000.
Fr. Lu Genjun: Serving 1st year of 3 year sentence.
Fr. Xie Guolin: Serving 1st year of 1 year sentence.
Fr. Li Jianbo: Arrested April 19, 2000.
Fr. Wei Jingkun: Arrested August 15, 1998.
Fr. Wang Qingyuan: Serving 1st year of 1 year sentence.
Fr. Xiao Shixiang: Arrested June 1996, status unknown.
Fr. Hu Tongxian: Serving 3rd year of 3 year sentence.
Fr. Cui Xingang: Arrested March 1996
Fr. Guo Yibao: Arrested April 4, 1999.
Fr. Feng Yunxiang: Arrested April 13, 2001.
Fr. Ji Zengwei: Arrested March 2000.
Fr. Wang Zhenhe: Arrested April 1999.
Fr. Yin: Serving 1st of 3 year sentence.
Fr. Kong Boucu: Arrested October 1999.
Fr. Lin Rengui: Arrested Dec. 1997, status unknown.
Fr. Pei Junchao: Arrested Jan. 1999, status unknown.
Fr. Wang Chengi: Arrested Dec. 1996, status unknown.

TIBETAN BUDDHISTS

Lamas

Gendum Choekyi Nyima: House Arrest.
Pawo Rinpoche: House Arrest.

Nuns

Ngawang Choekyi: Serving 9th year of 13 year sentence.
Ngawag Choezom: Serving 9th year of 11 year sentence.
Chogdrub Drolma: Serving 6th year of 11 year sentence.
Jamdrol: Serving 6th year of 7 year sentence.
Namdrol Lhamo: Serving 9th year of 12 year sentence.
Phuntsog Nyidrol: Serving 12th year of 17 year sentence.
Yeshe Palmo: Serving 4th year of 6 year sentence.
Ngawang Sangdrol: Serving 9th year of 21 year sentence.
Jigme Yangchen: Serving 11th year of 12 year sentence.

Monks

Ngawang Gyaltsen: Serving 12th year of 17 year sentence.
Ngawang Jamtsul: Serving 12th year of 15 years sentence.
Jamphel Jangchub: Serving 12th year of 18 year sentence.
Ngawang Kalsang: Serving 6th year of 8 year sentence.
Thubten Kalsang: Sentence not reported.
Lobsang Khetsun: Serving 5th year of 12 year sentence.
Phuntsok Legmon: Sentenced to 3 years in prison.
Namdrol: Sentenced to four years in prison.
Yeshe Ngawang: Serving 12th year of 14 year sentence.
Ngawang Oezer: Serving 12th year of 17 year sentence.
Ngawang Phuljung: Serving 12th year of 19 year sentence.
Lobsang Phuntsog: Serving 6th year of 12 year sentence.
Sonam Phuntsok: Arrested in October 1999.
Phuntsog Rigchog: Serving 7th year of 10 year sentence.
Lobsang Sherab: Serving 5th year of 16 year sentence.
Sonam Rinchen: Serving 15th year sentence.
Ngawang Sungrab: Serving 9th year of 13 year sentence.
Jampa Tenkyong: Serving 10th year of 15 year sentence.
Ngawang Tensang: Serving 10th year of 15 year sentence.
Lobsang Thubten: Serving 7th year of 15 year sentence.
Agya Tsering: Arrested in October 1999.
Trinley Tsondru: Serving 5th year of 8 year sentence.
Tenpa Wangdrag: Serving 13 year of 14 year sentence.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a strong proponent of the opportunity for Illinois workers who believe in free trade.

Mrs. BIGGERT. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding time to me.

Mr. Speaker, I rise today to urge my colleagues to vote against the resolution to revoke normal trade relations for China.

Some of my colleagues have said that this body should signal our disapproval of Chinese policy by denying NTR. Mr. Speaker, I would caution those who seek to signal China by ending NTR to think for one moment today about the likely consequences, and first answer some very basic questions:

Will Members' vote for NTR for China today actually change the behavior of China tomorrow?

Will ending NTR free the political prisoners, end the military buildup, enhance respect for human rights, and stop the persecution of religious groups?

Will denying NTR bolster the moderates, or will it strengthen the hand of hard-liners as they struggle to control the future course of Chinese policy?

Most importantly, will revoking NTR teach the youth of China the values of democracy, the principles of capitalism, and the merits of a free and open society?

Mr. Speaker, if I thought that ending NTR would achieve these goals in China, I, too, would cast my vote of disapproval today. But make no mistake, denying China NTR denies the U.S. the opportunity to influence China's workers, China's human rights policies, China's politics, and perhaps, most importantly, China's future.

Make no mistake, ending NTR for China will end our best hope of getting China to open its markets and live by the world's trade rules. It will effectively put an end to our trade with China. In short, revoking NTR for China will send much more than a signal. It will portend the end of U.S. trade with China and the end of our influence in China.

I urge my colleagues to vote to retain our influence and our trade relations with China by voting against the resolution today.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3½ minutes to my friend, the gentleman from Michigan (Mr. BONIOR), who has fought against labor camps in China and fought for human rights for workers and people around the world.

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, those who favor granting China special trade privileges, some of them would have us believe that approving this MFN for China is going to lead to a freer society. They would have us believe that conditions in China have improved since the People's Republic was granted most-favored-nation status last year.

In fact, the opposite is true. Let me just tell the Members a few stories.

Bishop Shi Enxiang, a 79-year-old Catholic bishop jailed on good Friday for not practicing state-sanctioned religion and for refusing to reject the legitimacy of the Pope, 79 years of age.

Of course, China will speak of its state-sanctioned Catholic Church. However, this is the same church that proclaimed 120 newly elected or canonized Chinese saints to be traitors and imperialist agents.

Liu Zhang, a worker in the Chun Si Enterprise Handbag Factory, who was desperate for work. The factory promised him a good job, living quarters, and a temporary residence permit. However, Chun Si did not follow through on his promise. Liu Zhang made about $22 a month, $15 of which went back to the company for room and board. His factory held its 900 workers in virtual imprisonment, and regularly subjected them to physical abuse.

□ 1730

Gao Zhan and Li Shaomin, American scholars detained by China for allegedly spying for Taiwan. Gao Zhan, her husband, and her son were about to return to the United States after visiting her parents when she was arrested in the Beijing airport.

Li Shaomin, who ironically believed that free trade would lead to a free China, was arrested when he left Hong Kong and entered China.

Peng Shi and Cao Maobin, Chinese union organizers, arrested for staging protests and forming labor unions. Peng has been sentenced to life imprisonment for fighting for better lives for his family and coworkers. Cao was held in a mental hospital after daring to speak to foreign reporters about the formation of an independent labor union protesting the company's layoffs and refusing to pay 6 months of back pay.

Now, if someone is for religious rights or political rights or economic rights, as a labor group or organizer they cannot function in China. They are going to end up in prison.

These terrible stories of oppression have all happened in China within the last year. They have all happened since this House voted to extend permanent MFN to China. They are bitter lessons that we must remember.

We cannot have free markets without free people. We in America have the privilege of living in the freest country in the world, but even here global trade is not the force that brought our steelworkers and our auto workers into the middle class. It was their organizing, it

was their right to collective bargaining, it was their right to participate freely in the political life of this Nation that established safe working conditions and fair wages and labor rights. These folks demonstrated in America. They marched, they were beaten, they went to jail. Some of them died for these rights that we have that have set the standard in our country.

People are doing the same thing in China each and every day and we are not on their side, we are on the sides of their oppressors. It was not global trade that brought protections for our air and water; it was people who fought and struggled in this country to elect leaders of their choosing to make a difference.

We have to do our part to ensure that China respects human rights and democratic freedoms and environmental rights. We have to stand with the people who are standing up for these basic freedoms. I urge my colleagues to vote for this resolution and reject further MFN for China.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this legislation today, and I do so to answer the question that the gentleman from California raised a moment ago when he held up an empty glass. I concede it is almost empty, but the question is how do we fill it? And I submit to my colleagues that we do not fill it in exactly the same way that we have been trying to do with the little island off the tip of Florida in which we have now for 40 years refused to trade with Cuba in the belief that somehow, some way that will cause Fidel Castro to change his ways. It has failed. The only people it has hurt are the Cuban people and those in the United States that could have benefited from selling, other than those who have continued to sell. That is what it is all about.

Now, normal trade relations with China is not going to solve all our farmers' problems. No, in fact, I think we have oversold a lot of trade issues. But I believe that the benefits of normal trade relations for U.S. agriculture will be significant, and I am in no small company in saying so. Nine Secretaries of agriculture have served since John F. Kennedy supported normal trade relations with China.

China has 21 percent of the world's population, 7 percent of the world's arable land. There are those that argue that China does not need us. They say China exports more agricultural products than it imports. But this ignores the fact that significant agricultural imports enter China through Hong Kong. In fact, China and Hong Kong annually import about $6.9 billion more in agricultural products than they export.

There will be those that stand up and say, there you go again, you are only talking about profit. Well, the question is, whom do we want to profit and whom do we think we are going to punish if we deny American jobs providing that which might be sold to China?

We are not talking about Most Favored Nation; we are talking about normal trade relations. This is what sends a message to the people out there that somehow we are doing something special. I do not want to do anything special for those commie pinkos that do the bad things that the gentleman from Virginia (Mr. WOLF) talked about their doing. I do not want to see these things continue. I want China to change. They are not doing good things. They are bad people, their leaders. Their people are good people.

That is the significant question for us to answer today, How do we as a country begin to change those that do things that we do not like? And again I just point to that little island off the tip of Florida. We tried it by doing it my colleagues' way, those that suggest that somehow we can by not trading with China and allowing all our ''friends'' to trade with China that we will force them to do things. If it has not worked with a little island off the tip of Florida, how can it possibly work with a country of 1.2 billion Chinese people, most of whom like America, most of whom will like us better once they get to know us? And the only way they will get to know us is for us to treat them like the rest of the world treats them.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Let me remind my colleagues we are not talking about an embargo against China. That is not what this vote is about. Normal trade relations is about one thing: Should we subsidize, the American taxpayer subsidize American businessmen who want to close up their factories here and set them up in China?

It is not about free trade or not about whether we can sell our goods in China. It is about whether or not big businessmen will get this subsidy. They cannot get guaranteed loans from the banks. It is too risky. So the taxpayers come in and guarantee the loans. That is what this is all about. It is not about selling American products; it is not about embargoes. It is about subsidies to big businesses to set up factories in China.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN), the distinguished former chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of the Rohrabacher-Brown resolution, H.J. Res. 50, disapproving the extension of the waiver authority that is contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China. I commend the sponsors for bringing this measure to the House floor at this time.

Mr. Speaker, what will it take for us to wake up and understand that trade benefits for the People's Republic of China is not in our Nation's best interest? Human rights, religious tolerance, labor rights, even the right to die without having one's organs removed before one is dead are nonexistent in the People's Republic of China. The dictatorship in China threatens its neighbors, Democratic Taiwan, India, Japan, and the stability of the entire Pacific region with its threats and military buildup, funded almost exclusively by our enormous growing trade imbalance in China, $80 billion this year and growing even greater. This trade imbalance now surpasses our trade deficit with Japan.

The Chinese totalitarian dictatorship has now embraced an alliance with Russia. China also supports the dictatorships in North Korea, Cuba and Burma. It has threatened democracy throughout the world by obstructing the United Nations' Human Rights Convention in Geneva. Its agents attempt to sell AK–47s and stinger missiles to Los Angeles street gangs here in our own Nation.

Mr. Speaker, the time has come to recognize that China, the sleeping dragon, has awakened; and we need to respond appropriately. My colleagues, as we consider this proposal of denying free trade to China, let us bear in mind some of China's violations of basic international accords: its threats to Taiwan, its murder and its arrest of Christians, of Buddhists, and Falun Gong practitioners, the downing of our surveillance aircraft, and its occupation of Tibet. This is not peaceful behavior by that nation.

I think it is time now for us to give an appropriate assessment of where China is. Mr. Speaker, the time has come to recognize that China's behavior does not support stability and we need to respond appropriately. And until it changes its behavior and until it stops threatening its neighbors and does not repress its citizens, we should not be supporting this repressive government and its growing military with normal trade benefits.

Accordingly, I urge all my colleagues to support H.J. Res. 50 in opposition to the favorable trade status for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time. I rise today on behalf of Hoosier farmers, dedicated men and women who wake at sunrise and leave their sweat in the fields by sunset.

In the year 2000 alone, American farmers benefited from U.S. agricultural exports to China totaling $1.9 billion; and China's ascension into the WTO, expected later this year, is projected to produce an additional $2 billion annually to our Nation's farmers.

Mr. Speaker, at a time when most U.S. agricultural commodities are experiencing their lowest prices in decades, stable access to China's markets is critical.

Mr. Speaker, according to our best traditions, we are to live as free men but not use our freedom as a coverup for evil. And unlike many in this Chamber, since arriving in Washington I have been a vociferous opponent of the human rights' abuses of the Chinese Government, and I will continue to be. In fact, I recently stood at this very podium and criticized China's incarceration of American troops, American academicians, and its securing of the 2008 Olympic games in Beijing. But, Mr. Speaker, I believe our relationship with China is a complex one, and it can best be described as follows: America's relationship with China should be America with one hand extended in friendship and in trade and with the other hand resting comfortably on the holster of the arsenal of democracy.

By empowering the President to offer this extension, we will continue to open Chinese society to foreign investment and expose Chinese citizens to private property, contract, and the rule of law, while we commit ourselves to the necessary rebuilding of the American military with special emphasis on the Asian Pacific Rim.

I urge my colleagues not to mix trade and security today. I urge my colleagues to oppose H.J. Res. 50 and allow the President to extend NTR to China for one more year.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this resolution. And because to some it may seem contradictory to my stand on behalf of permanent normal trading relations, I rise not so much to convince others to follow me as to explain why I take this position.

In my view, the human rights performance in China is abominable, whether we are considering NTR or PNTR. However, I believe this provision of NTR is a one-way street. That is to say, I believe this is America giving to China, sanctioning, in effect, China's performance.

I believed PNTR was a two-way street, in which we required China to accede to WTO, to agree to a commerce of law, to agree to an opening of markets; and, therefore, I supported it. Because like the previous speaker, I believe our relationship with China is a complex one. I believe China, perhaps, can be one of the most dangerous nations on the face of the earth or one of the most economically positive nations on the face of the earth.

But this vote is about simply the United States giving a benefit to China. I think we ought not to do that. I think we ought to require, as I hope will happen in November, for them to take unto themselves certain responsibilities that manifest an intent to become an equal and performing partner in the family of nations.

Therefore, I will vote for this resolution, but will continue to hope that China does in fact accede to the WTO and that we do pursue permanent normal trading relations with China, which I believe will have positive effects. I do not believe that simply annually pretending that China is not performing in a way with which we should not deal in a normal way is justified.

I thank the gentleman for giving me this opportunity.

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Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I rise to oppose this resolution of disapproval which would cause a tremendous break in an established trading relationship.

I commend all who are participating in the debate and deeply respect the heartfelt concerns of the advocates for this resolution for the concerns that have been expressed so passionately and well this afternoon. All of us are terribly concerned about the issues that have been covered.

The question is, how do we best effect change on these areas of concern? Is removal of the normal trade relations, reversing the course over the last many years, placing China, a nation of 1.2 billion, in a trade status only held by Cuba, North Korea and Vietnam, is that the way to advance our concerns?

We have a track record on the application of unilateral U.S. efforts to isolate major world powers. I believe the most recent one was a Carter administration effort to place a grain embargo on the Soviet Union, expressing our outrage about their involvement in Afghanistan. The result is now very clear. We lost important agricultural opportunities. Our farmers paid a huge price. Other countries benefitted tremendously. We did not change Soviet Union behavior by that action one lick. I believe the same is absolutely before us.

No matter how much we may want to, we cannot isolate this nation of 1.2 billion people. The record in China is mixed. Fairness in this debate requires us to reflect briefly on the fact that there is continued growth in their free market economy. The spread of private enterprise has moved from the coast. Growth of the Internet continues to slowly erode the stranglehold of information held by the state. Earlier this year, China ratified a United Nations agreement on economic and social rights. Progress is also evident in the agriculture area.

We must reject this and move forward even while we continue to be very concerned about the conduct of China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes the gentleman from New Jersey (Mr. SMITH) who knows we should not be subsidizing with taxpayer dollars investments in Communist China.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.J. Res. 50 to disapprove of the extension of MFN to the PRC.

The point was well taken by the gentleman from California (Mr. ROHRABACHER). We are not talking about embargo. We are talking about most favored or permanent normal trading relationship with China.

Unlike the grain embargo that was just mentioned by the gentleman from North Dakota (Mr. POMEROY), there we had Ronald Reagan and many presidents thereafter not allowing MFN to go forward for the Soviet Union because of their egregious human rights abuses and because of their gross mistreatments.

Let me say briefly, Mr. Speaker, that, as we speak, two American citizens are being held hostage in China, Dr. Li Shaomin, who may get out and hopefully will get out but not after he had a kangaroo trial, and Mr. Wu Jianmin. Additional U.S. residents, including Dr. Gao Zhan, are being held.

Recently we had a hearing in the Committee on International Relations and we heard from the relatives who were asking us, pleading with us to reach out to these American citizens. These are Americans being held hostage by a dictatorship while we are conferring normal trading relationship to a country that is anything but normal. Its dictatorship is grossly abnormal.

Let us not kid ourselves. This is a big, fat payday for a brutal dictatorship. Eighty billion dollars is the balance in trade right now. That will grow potentially to $100 billion. The average person is not reaping that benefit and certainly the religious believer, be he or she a Buddhist or a Catholic or a Uighur or a Falun Gong or anyone else. The underground Protestant church, the Buddhists in Tibet are not reaping these benefits. They are suffering unbelievable torture as a direct result of the policy of this dictatorship.

Look at the country reports on human rights practices. They make it very clear. Torture is absolutely pervasive, government-sponsored torture. If we are arrested in China for practicing our faith outside the bounds of the government, we get tortured.

Mr. Speaker, I urge support for the Rohrabacher resolution. Human rights should matter. Let us send a clear message to the Beijing dictatorship.

Mr. WELLER. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I stand today in strong opposition to H.J. Res. 50.

Free trade is not just sound economic policy. It is great foreign policy as well. Free trade shares far more than just goods and services. It shares sound ideas and institutional norms across boundaries. Countries that are open to trade and capital flows are far more

often than not also open to such ideas as political freedom.

We have heard today that China has a poor human rights record. That is not true. China has an atrocious human rights record. The question is, how do we best affect that for the better? Do we do it through trade? Do we do it through isolationism? Are we better to engage China or to isolate them?

We have heard today that we cannot have free markets without free people. I submit we can rarely have a truly free people without free markets. We have got to engage. We have got to get China to accept institutional norms. The best way to do that is through engagement.

The relevant question is, how do we change China for the better? I believe it is done through engagement, and I would urge defeat of the resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR) who believes we should not award China's human rights abuses with WTO membership and the Olympics.

(Ms. KAPTUR asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. KAPTUR. Mr. Speaker, I rise in strong support of the Rohrabacher-Brown amendment as someone who loves liberty and believes in free trade among free people.

Mr. Speaker, I wish to enter into the RECORD as part of this debate a wonderful article by Lawrence Kaplan in a recent edition of The New Republic where he talks about why trade will not bring democracy to China. He talks about the relationship between profit and freedom and looks at the long history of nation states, talks about foreign trade and the penetration of multinational corporations having no significant effect on the correlation between economic development and democracy.

Capitalism does not bring democracy. 100 years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysia, capitalist development has buttressed rather than undermined authoritarian regimes.

In none of these cautionary examples did the free market do the three things business people say it does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populist to liberal ideas from abroad. It is not doing that in China either.

In fact, capitalism in the People's Republic of China, a Communist state, still operates within the confines of an arbitrary legal order and a party-controlled system where the emerging bourgeoisie consist overwhelmingly of state officials, their friends and their business partners. And who is benefiting from all of this? The authoritarian, repressive regimes that are imprisoning Catholic bishops, that are not allowing U.S. citizens of Chinese heritage to go back into that country, and the very same people who took our surveillance aircraft and held our troops all those weeks and now are asking us to pay for the time that they held American citizens on their territory.

Mr. Speaker, is something wrong with this picture?

Vote in support of the Rohrabacher-Brown resolution.

The May 1, 2001, report by the United States Commission on International Religious Freedom links the deterioration of rights to receipt of normal trade relations. ''China has concluded that trade trumps all.'' Torture of believers increased, the government confiscated and destroyed as many as 3,000 unregistered religious buildings, and has continued to interfere with the selection of religious leaders.

Since passage, persecution and execution have increased.

[From the New Republic, July 9 and 16, 2001]

WHY TRADE WON'T BRING DEMOCRACY TO CHINA.—TRADE BARRIER

(By Lawrence F. Kaplan)

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter haven't heard from him since. That's because, for four months now, Li has been rotting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the theme of his writings, published in subversive organs like the U.S.-China Business Council's China Business Review, is optimism about China's investment climate. Li, it turns out, proved too optimistic for his own good. In addition to rewarding foreign investors, he believed that China's economic growth would create, as he put it in a 1999 article, a ''rule-based governance system.'' But, as Li has since discovered, China's leaders have other plans.

Will American officials ever make the same discovery? Like Li, Washington's most influential commentators, politicians, and China hands claim we can rely on the market to transform China. According to this new orthodoxy, what counts is not China's political choices but rather its economic orientation, particularly its degree of integration into the global economy. The cliche has had a narcotic effect on President Bush, who, nearly every time he's asked about China, suggests that trade will accomplish the broader aims of American policy.

Bush hasn't revived Bill Clinton's recklessly ahistorical claim that the United States can build ''peace through trade, investment, and commerce.'' He has, however, latched onto another of his predecessor's high-minded rationales for selling Big Macs to Beijing—namely, that commerce will act, in Clinton's words, as ''a force for change in China, exposing China to our ideas and our ideals.'' In this telling, capitalism isn't merely a necessary precondition for democracy in China. It's a sufficient one. Or, as Bush puts it, ''Trade freely with China, and time is on our side.'' As Congress prepares to vote for the last time on renewing China's normal trading relations (Beijing's impending entry into the World Trade Organization will put an end to the annual ritual), you'll be hearing the argument a lot: To promote democracy, the United States needn't apply more political pressure to China. All we need to do is more business there.

Alas, the historical record isn't quite so clear. Tolerant cultural traditions, British colonization, a strong civil society, international pressure, American military occupation and political influence—these are just a few of the explanations scholars credit as the source of freedom in various parts of the world. And even when economic conditions do hasten the arrival of democracy, it's not always obvious which ones. After all, if economic factors can be said to account for democracy's most dramatic advance—the implosion of the Soviet Union and its Communist satellites—surely the most important factor was economic collapse.

And if not every democracy emerged through capitalism, it's also true that not every capitalist economy has produced a democratic government. One hundred years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysis, capitalist development has buttressed, rather than undermined, authoritarian regimes. And these models are beginning to look a lot more like contemporary China than the more optimistic cases cited by Beijing's American enthusiasts. In none of these cautionary examples did the free market do the three things businessmen say it always does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populace to liberal ideals from abroad. It isn't doing them in China either.

One of the most important ways capitalism should foster democracy is by diminishing the power of the state. Or, as Milton Friedman put it in Capitalism and Freedom, ''[t]he kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.'' In his own way, Bush makes the same point about China: ''I believe a whiff of freedom in the marketplace will cause there to be more demand for democracy.'' But the theory isn't working so well in the People's Republic, whose brand of capitalism isn't quite what Adam Smith had in mind.

China's market system derives, instead, from a pathological model of economic development. Reeling from the economic devastation of the Mao era, Deng Xiaoping and his fellow party leaders in the late 1970s set China on a course toward ''market socialism.'' The idea was essentially the same one that guided the New Economic Policy in Soviet Russia 50 years before: a mix of economic liberalization and political repression, which would boost China's economy without weakening the Communist Party. And so, while leaving the party in control of China's political life, Deng junked many of the economy's command mechanisms—granting state-owned enterprises more autonomy, opening the country to limited investment, and replacing aging commissars with a semiprofessional bureaucracy. The recipe worked well: China has racked up astronomical growth rates ever since. And democracy seems as far away as ever.

The reason isn't simply that government repression keeps economic freedom from yielding political freedom. It's that China's brand of economic reform contains ingredients that hinder—and were consciously devised to hinder—political reform. The most obvious is that, just as the state retains a monopoly on the levers of coercion, it also remains perched atop the commanding heights of China's economy. True, China has been gradually divesting itself of state-owned enterprises, and the process should quicken once China enters the World Trade Organization (WTO). But Beijing's leaders have said they will continue to support China's most competitive and critical industries. Taking a cue from authoritarian South

Korea during the 1980s, China's leaders have proposed sponsoring industrial conglomerates in crucial sectors of the economy, transformed industrial ministries into ''general associations,'' merged failing state-owned firms with more successful ones, and established organizations to, as Chinese economist Xue Muqiao has put it, ''serve as a bridge between the state and the enterprises.''

But that's where any similarities with South Korea end. Unlike South Korea, the Philippines, and Taiwan, which evolved from authoritarianism (and did so, significantly, as de facto protectorates of the United States), China even today has no effective system of property rights—a signature trait that distinguishes its Communist regime from traditional authoritarian ones. The absence of a private-property regime in China means that, at the end of the day, the state controls nearly the entire edifice on which China's ''free'' markets rest. It also means that China's brand of capitalism blurs, rather than clarifies, the distinction between the public and the private realms on which political liberty depends. Nor is that the only requisite for democracy that China's markets lack. As the imprisonment of Li Shaomin and thousands of other political prisoners attests, capitalism in the PRC still operates within the confines of an arbitrary legal order and a party-controlled court system. ''China is still a lawless environment,'' says University of Pennsylvania sinologist Arthur Waldron. ''Whether in terms of individual rights or the rights of entrepreneurs, interests are protected not by institutions but by special relationships with those in power.

Before he was arrested, Li diagnosed this condition as ''relation-based capitalism.'' What he meant was that relations with government officials, not property rights or the rule of law, underpin the Chinese market. Because the political foundations of China's economy remain the exclusive property of the state, China's entrepreneurs operate with a few degrees of separation, but without true autonomy, from the government. Hence, capital, licenses, and contracts flow to those with connections to officials and to their friends and relatives, who, in turn, maintain close relations with, and remain beholden to, the regime. Their firms operate, in the words of Hong Kong-based China specialist David Zweig, ''[l]ike barnacles on ships, . . . draw[ing] their sustenance from their parastatal relationships with the ministries from which they were spun off.''

Helping to keep all these distortions in place are Deng's functionaries, who now constitute the world's largest bureaucracy and still control the everyday levers of the Chinese economy. Today, they function as the engines and administrators of a market increasingly driven by skimming off the top. The foreign-trade sector offers particularly easy pickings. In 1995, for instance, the World Bank found that while China's nominal tariff rate was 32 percent, only a 6 percent rate was officially collected. Presumably, much of the difference went into the pockets of Chinese officials. And even though WTO accession will reduce opportunities for rent seeking from inflated trade tariffs, China's bureaucracy will be able to continue siphoning funds from distorted interest rates, the foreign exchange markets, and virtually any business transaction that requires its involvement—which is to say, nearly every business transaction. Nor is the problem merely the corrupting influence these bureaucrats wield over China's markets. The larger problem is that, whereas in the United States the private sector wields enormous influence over the political class, in China the reverse is true.

For precisely this reason, Washington's celebrations of the democratic potential of the new Chinese ''middle class'' may be premature ''Entrepreneurs, once condemned as 'counter revolutionaries,' are now the instruments of reform. . . . [T]his middle class will eventually demand broad acceptance of democratic values,'' House Majority Whip Tom DeLay insisted last year. Reading from the same script, President Bush declares that trade with China will ''help an entrepreneurial class and a freedom-loving class grow and burgeon and become viable,'' Neither DeLay nor Bush, needless to say, invented the theory that middle classes have nothing to lose but their chains. In the first serious attempt to subject the ties between economic and political liberalization to empirical scrutiny, Seymour Martin Lipset published a study in 1959, Some Social Requisites of Democracy, which found that economic development led to, among other things, higher levels of income equality, education and, most important, the emergence of a socially moderate middle class—all factors that promote democratization. More recent studies have found that rising incomes also tend to correlate with participation in voluntary organizations and other institutions of ''civil society,'' which further weakens the coercive power of the state.

But middle classes aren't always socially moderate, and they don't always oppose the state. Under certain conditions late modernizing economies breed middle classes that actively oppose political change. In each of these cases, a strong state, not the market, dictates the terms of economic modernization. And, in each case, an emerging entrepreneurial class too weak to govern on its own allies itself—economically and, more importantly, politically—with a reactionary government and against threats to the established order. In his now-classic study Social Origins of Dictatorship and Democracy, sociologist Barrington Moore famously revealed that, in these ''revolutions from above,'' capitalist transformations weakened rather than strengthened liberalism. In the case of nineteenth-century Japan Moore writes that the aim of those in power was to ''preserve as much as possible of the advantages the rule class had enjoyed under the ancient regime, cutting away just enough . . . to preserve the state, since they would otherwise lose everything.'' Japan's rulers could do this only with the aid of a commercial class, which eagerly complied, exchanging its political aspirations for profits. On this point, at least Marx and Engels had things right. Describing the 1848 revolution in Germany, they traced its failure partly to the fact that, at the end of the day, entrepreneurs threw their support not behind the liberal insurrectionists but behind the state that was the source of their enrichment.

Much the same process is unfolding in China, where economic and political power remain deeply entwined. In fact, China's case is even more worrisome than its historical antecedents. In Germany and Japan, after all, an entrepreneurial class predated the state's modernization efforts, enjoyed property rights, and, as a result, possessed at least some autonomous identity. In China, which killed off its commercial class in the 1950s, the state had to create a new one. Thus China's emerging bourgeoisie consists overwhelmingly of state officials, their friends and business partners, and—to the extent they climbed the economic ladder independently—entrepreneurs who rely on connections with the official bureaucracy for their livelihoods. ''It is improbable, to say the least,'' historian Maurice Meisner writes in The Deng Xiaoping Era: An Inquiry Into the Fate of Chinese Socialism, ''that a bourgeoisie whose economic fortunes are so dependent on the political fortunes of the Communist state is likely to mount a serious challenge to the authority of the state . . . the members of China's new bourgeoisie emerge more as agents of the state than as potential antagonists.''

A steady diet of chauvinistic nationalism hasn't helped. In the aftermath of the Tiananmen Square massacre, party leaders launched a ''patriotism'' campaign, a sentiment they defined as ''loving the state'' as well as the Communist Party. As the Shanghai-based scholar and party apologist Xiao Gongqin explains, ''[T]he overriding issue of China's modernization is how, under new historical circumstances, to find new resources of legitimacy so as to achieve social and moral integration in the process of social transition.'' To Xiao and others like him, the answer is nationalism. And, as anyone who turned on a television during the recent EP–3 episode may have noticed, it's working. Indeed, independent opinion polling conducted by the Public Opinion Research Institute of People's University (in association with Western researchers, who published their findings in 1997), indicate greater public support for China's Communist regime than similar surveys found a decade earlier. And, contrary to what development theory might suggest, the new nationalism appears to have infected the middle class—particularly university students and intellectuals—more acutely than it has China's workers and farmers. ''The [closeness of the] relationship between the party and intellectuals is as bad as in the Cultural Revolution,'' a former official in the party's propaganda arm noted in 1997. Even many of China's exiled dissidents have fallen under its spell.

In addition to being independent of the regime and predisposed toward liberal values, China's commercial class is supposed to be busily erecting an independent civil society. But, just as China's Communist system restricts private property, it prohibits independent churches and labor unions, truly autonomous social organizations, and any other civic institutions that might plausibly compete with the state. Indeed, China's leaders seem to have read Robert Putnam's Bowling Alone and the rest of the civil-society canon—and decided to do exactly the reverse of what the literature recommends. ''Peasants will establish peasants' organizations as well, then China will become another Poland,'' senior party official Yao Yilin reportedly warned during the Tiananmen protests. To make sure this fear never comes true, China's leaders have dealt with any hint of an emerging civil society in one of two ways: repression or co-optation. Some forbidden organizations—such as Falun Gong, the Roman Catholic church, independent labor unions, and organizations associated with the 1989 democracy movement—find their members routinely imprisoned and tortured. Others, such as the Association of Urban Unemployed, are merely monitored and harassed. And as for the officially sanctioned organizations that impress so many Western observers, they mostly constitute a Potemkin façade. ''[A]lmost every ostensibly independent organization—institutes, foundations, consultancies—is linked into the party-state network,'' says Columbia University sinologist Andrew Nathan. Hence, Beijings Ministry of Civil Affairs monitors even sports clubs and business associations and requires all such groups to register with the government.

The same kind of misreading often characterizes celebrations of rural China's ''village committees,'' whose democratic potential the engagement lobby routinely touts. Business Week discerns in them evidence ''of the grassroots democracy beginning to take hold in China.'' But that's not quite right. China's leaders restrict committee elections to the countryside and, even there, to the most

local level. Nor, having been legally sanctioned 14 years ago, do they constitute a recent development. More important, China's leaders don't see the elections the way their American interpreters do. In proposing them, says Jude Howell, co-author of In Search of Civil Society: Market Reform and Social Change in Contemporary China, party elites argued that elected village leaders ''would find it easier to implement central government policy and in particular persuade villagers to deliver grain and taxes and abide by family planning policy. Village self-governance would thus foster social stability and order and facilitate the implementation of national policy. By recruiting newly elected popular and entrepreneurial village leaders, the Party could strengthen its roots at the grassroots level and bolster its legitimacy in the eyes of rural residents.'' Which is exactly what it has done. In races for village committee chairs, the Ministry of Civil Affairs allows only two candidates to stand for office, and until recently many townships nominated only one. Local party secretaries and officials often push their favored choice, and most committee members are also members of the Communist Party, to which they remain accountable. Should a nonparty member be elected, he must accept the guidance of the Communist Party, which, in any case, immediately sets about recruiting him. As for those rare committee members who challenge local party officials, their success may be gleaned from the fate of elected committee members from a village in Shandong province who in 1999 accused a local party secretary of corruption. All were promptly arrested.

Still, the very fact that China's leaders feel compelled to bolster their legitimacy in the countryside is telling. Last month Beijing took the unusual step of releasing a report, ''Studies of Contradictions Within the People Under New Conditions'' which detailed a catalogue of ''collective protests and group incidents.'' What the report makes clear is that Beijing's leaders think China's growing pool of overtaxed farmers and unemployed workers, more than its newly moneyed elite could become a threat to the regime. Fortunately for the authorities, with no political opposition to channel labor unrest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching ''strike hard'' campaign to quell any trouble. In any case, what these formerly state-employed workers have been demonstrating for is not less communism, but more—a return to the salad days of central planning.

Which brings us to the final tenent of the engagement lobby: that commerce exposes China to the ideals of its trading partners, particularly those of the United States. As House Majority Leader Dick Armey has put it, ''Freedom to trade is the great subversive and liberating force in human history.'' Or, as Clinton National Security Adviser Sandy Berger burbled in 1997, ''The fellow travelers of the new global economy—computers and modems, faxes and photocopiers, increased contacts and binding contacts—carry with them the seeds of change.'' But the Chinese disagree. To begin with, they don't import much. And economists predict that won't change dramatically once they've joined the WTO, since China's leaders have committed themselves to the kind of export-oriented, merchantilist growth model that South Korea, Japan, and Taiwan pursued in decades past. Last year, for instance, China exported $100 billion in goods and services to the United States and only imported $16 billion worth. Hence, for every six modems it sent to America, Sandy Berger sent back only one.

To be sure, that one modem may carry with it seeds of change. Bush, for instance, says, ''If the Internet were to take hold in China, freedom's genie will be out of the bottle.'' Alas, through links to Chinese service providers, Beijing tightly controls all access to the Web. and Western investors in China's information networks have eagerly pitched in. One Chinese Internet portal, bankrolled by Intel and Goldman Sachs, greets users with a helpful reminder to avoid ''topics which damage the reputation of the state'' and warns that it will be ''obliged to report you to the Public Security Bureau'' if you don't. But Goldman Sachs needn't worry. If anything, China's recent experience lends credence to the pessimistic theories of an earlier era, which held that nations shape the uses of technology rather than the other way around. Thus Beijing blocks access to damaging ''topics'' and to Western news sources like The New York Times, The Washington Post, and this magazine. It also monitors e-mail exchanges and has arrested Internet users who have tried to elude state restrictions. And, in ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. ''Much as many people might like to think the Internet is part of a bottom-up explosion of individualism in China, it is not,'' writes Peter Lovelock, a Hong Kong-based academic who studies the Internet's effect in the PRC. Instead, it provides ''an extraordinarily beneficial tool in the administration of China.'' And that tool was on vivid display during the EP–3 crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. But, in this case, they're not even paraphrasing political science literature they haven't read, because the literature makes no such claim. In fact, a 1983 study by the University of North Carolina's Kenneth Bollen found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and democracy. In China's case, it's easy to understand why. Beijing requires foreign investors in may industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in ''special economic zones'' set apart from the larger Chinese economy. Moreover, they export a majority of their goods—which is to say, they send most of their ''seeds of change'' abroad. At the same time, their capital largely substitutes for domestic capital (foreign-owned firms generate half of all Chinese exports), providing a much-needed blood transfusion for China's rulers, who use it to accumulate reserves of hard currency, meet social welfare obligation, and otherwise strengthen their rule. Nor is it clear that U.S. companies even want China to change. If anything, growing levels of U.S. investment have created an American interest in maintaining China's status quo. Hence, far from criticizing China's rulers, Western captains of industry routinely parade through Beijing singing the praises of the Communist regime (and often inveighing against its detractors), while they admonish America's leaders to take no action that might upset the exquisite sensibilities of China's politburo Business first, democracy later.

But ultimately the best measure of whether economic ties to the West have contributed to democratization may be gleaned from China's human rights record. Colin Powell insists, ''Trade with China is not only good economic policy; it is good human rights policy.'' Yet, rather than improve that record, the rapid expansion of China's trade ties to the outside world over the past decade has coincided with a worsening of political repression at home. Beijing launched its latest crackdown on dissent in 1999, and it continues to this day. The government has tortured, ''reeducated through labor,'' and otherwise persecuted thousands of people for times no greater than practicing breathing exercises, peacefully championing reforms, and exercising freedom of expression, association, or worship. It has arrested Chinese-American scholars like Li Shaominn on trumped-up charges, closed down newspapers, and intimidated and threatened dissidents. Nor is it true that linking trade and human rights will necessarily prove counterproductive. When Congress approved trade sanctions against Beijing in the aftermath of Tiananmen, China's leaders responded by releasing more than 800 political prisoner, lifting martial law in Beijing, entering into talks with the United States, and even debating among themselves the proper role of human rights. As soon as American pressure eased, so did China's reciprocal gestures.

Turning a blind eye to Beijing's depredations may make economic sense. But to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something, must create it. Often that someone is a single leader—a Mikhail Gorbachev, a King Juna Carlos, or a Vaclav Havel. But such a man won't be found in China's current leadership. Other times, the pressure for democracy comes from a political opposition—the African National Congress in South Africa, Solidarity in Poland, or the marchers in Tiananmen Square. But there are no more marchers in Tiananmen Square.

Pressure for democratization, however, can also come from abroad. And usually it comes from the United States or from nowhere at all. During the 1980s America applied diplomatic and economic pressure to repressive regimes from Poland to South Africa; intervened to prevent military coups in the Philippines, Peru, El Salvador, Honduras, and Bolivia; and loudly enshrined human rights and democracy in official policy. The United States played a pivotal and direct role in democratizing even countries like South Korea and Taiwan, which many China-engagers now tout as evidence that the market alone creates political freedom. Appropriately enough, the decade closed with democracy activists erecting a facsimile of the Statue of Liberty in Tiananmen Square.

The commercialist view of China, by contrast, rests on no historical foundation; it is a libertarian fantasy. ''The linkage between development and rights is too loose, the threshold too high, the time frame too long, and the results too uncertain to make economic engagement a substitute for direct policy intervention,'' writes Columbia's Nathan. Yet make it a substitute is precisely what the United States has done. And, far from creating democracy, this subordination of political principle has created the justified impression of American hypocrisy and, worse, given U.S. policymakers an excuse to do nothing.

Maybe the claim that we can bring liberty to China by chasing its markets will prove valid in the long run. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a democracy. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it

wasn't capitalism that democratized them, and it certainly wasn't worth the wait. In China's case, too, no on really knows what might happen as we wait for politics to catch up with economies. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He's still in jail.

Mr. LEVIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise in opposition to the resolution. This debate is not about condoning slave labor in China, child labor, or religious or political persecution occurring in China.

Mr. Speaker, I believe this debate is about empowering the Chinese people to make the improvements, make the positive changes that all of us in this Chamber would like to see made someday. I believe the best way to empower the Chinese people is with information: information from the outside world, information from us. And the best way we can accomplish this is through a policy of engagement, through trade, especially with greater telecommunications and Internet access within China.

Just last year I had an opportunity to meet with five Chinese university students who wanted to talk with me since I serve on the Committee on Education and the Workforce. I asked them, what is the most exciting thing occurring in Chinese universities? Almost all of them simultaneously said the Internet, because now we have access to outside information and ideas that we have never been exposed to before or were precluded from having.

Mr. Speaker, I was sitting looking at this young crowd, thinking this is the next generation of leadership growing up in China, and if we want to see the positive, revolutionary changes occur in China that are long overdue, we need to empower them and the Chinese people.

I believe the worst mistake we can make as a Congress in this new century is to pick a new cold war confrontation with the world's most populated nation after we have just concluded a very lengthy and costly cold war with the Soviet Union during most of the 20th century.

The Soviet Union and the Eastern Bloc nations did not collapse because of military defiance from the West. They collapsed because Gorbachev had the courage to institute perestroika and glasnost and open up their societies to the influence of the outside world, and the people realized that they were living under a failed system and policy. They stood in defiance of those governments, and the governments came down. The same potential holds true in China.

Mr. Speaker, Cordell Hull, FDR's Secretary of State, was fond of saying, when goods and products cross borders, armies do not. I believe that is what is at stake here in our debate with NTR with China, getting them included in WTO as a member of the world trading community.

I hope that we make that decision correctly for the sake of our children, for the sake of their children, and for the sake of a positive relationship with China and the United States as we embark together on this marvelous journey in the 21st century.

Mr. ROHRABACHER. Mr. Speaker, I yield 30 seconds to myself.

Mr. Speaker, I do not know what books my colleague has been reading from about history, but I read nowhere in history that if we treat the Nazis or the Japanese militarists as anything but dictatorships and threats where it turns out beneficial to the democratic countries of the world.

I do not read where we in the past have ever benefited from trying to not recognize a real threat in the dictatorships around the world but instead try to gloss over those differences.

I do not read where trade with dictatorships has led to peace. I do not read that.

What I read is when there is free trade with dictatorships, they manipulate the trade in order to gain money for their own regimes; and our next speaker realizes we should not be using tax dollars to subsidize businessmen for closing factories in the United States and reopening them in China.

Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. HAYES).

□ 1800

Mr. HAYES. Mr. Speaker, I rise today to urge my colleagues to vote for this measure and oppose granting China normal trade relations. Normal trade relations for the People's Republic of China does not represent fair trade for our Nation's textile workers. For the tens of thousands of textile workers and the many communities that depend on these jobs in North Carolina's eighth district, this agreement continues down the road of trading away a vital industry to our State's economy.

Since December of 1994, the textile and apparel industry has lost nearly 600,000 workers, 20 percent of which belonged to North Carolinians. A devastating effect on many communities throughout the district has resulted. Closed foreign markets which persist despite trade policies that open our markets, continuing large-scale customs fraud, transshipments, and currency devaluation have all led to this loss of jobs in a vital industry.

The textile industry is not protectionist. It is not afraid of competition. In fact, it is a highly automated and technology-driven industry that simply wants to assure its place within the global economy through fairness and equal access. Until that happens, I urge my colleagues to oppose trade with China.

Mr. WELLER. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM) not only a distinguished gentleman but one of America's greatest war heroes.

Mr. CUNNINGHAM. Mr. Speaker, most of my life I have spent fighting against Communists and Socialists. You would think of anybody that did not want to support the Chinese, it would be Duke Cunningham. I am probably the only one in this room that has been shot at by the Chinese near the Vietnamese border. I cannot tell you what I told them over the radio or called them. And they were my enemy.

They are an emerging threat today. When the gentleman from Kentucky (Mr. ROGERS), the chairman of the committee, asked me to go to Vietnam and raise the American flag over Ho Chi Minh City, I said, ''No, I can't do that. It's too hard.'' And then Pete Peterson, a friend of mine, the Ambassador to Vietnam, said, ''Duke, I need your help. I was a prisoner for 6½ years. I can do this. You can, too.'' So I went. And I met with the Prime Minister in Hanoi.

I asked him, I said, Mr. Prime Minister, President Clinton is trying to work negotiations and trade with Hanoi to open up our two countries. Why are you dragging your feet?

In perfect English, he looked at me and said, Congressman, I am a Communist. If we move too fast in trade, you see those people out there? And we were looking at a sea of thousand bicycles. He said, those people out there will have things, like property, like things of their own, like their own bicycles that they could own. He very frankly said, as a Communist, I will be out of business.

I looked at him, and I said, Mr. Prime Minister, trade is good.

I was the commanding officer of Adversary Squadron, and at Navy fighter weapons school my job was to teach Asian and Sino-Soviet threats to the world. Twenty years ago, they were a real threat. Today, China is a threat; but let us not close the door on our farmers, on the people that fought in Tiananmen Square, on the people that are fighting for human rights within China itself.

My daughter dates Matthew Li. He is Chinese. I want to tell you, you look at our universities and the immigrants that we have into this country. They are the hardest working, the most freedom-seeking people in the world. And if we do not support this open trade with China, then we are going to lose that opportunity.

China is not what it is or what it was 20 years ago. Are they going to be a democracy? Not in my lifetime. But do we want them to go backwards? Or do we want to slowly change that 10,000-year-old dog? It is hard to teach an old dog new tricks is the saying. I believe with all of my heart that if we close that door and that opportunity for us to reach out, at the same time I think it was wrong to give China missile secrets and then for China to then give it to North Korea and make us vulnerable to missile threats, but we can hold them at bay.

Do not let the cobra in the baby crib but milk it for its venom.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS) who understands that the facts show that Western investors prefer totalitarian countries more than democratic countries because Western investors like the docile workforce that China provides.

Mr. SANDERS. Mr. Speaker, let me be very blunt. In my opinion, our current trade relations with China are an absolute disaster and are based on an unholy alliance between corporate America and the corrupt Communist leadership in China. As part of this trade agreement, corporate America gets the opportunity to invest tens of billions of dollars in China and to hire workers who are forced to slave away at wages as low as 20 cents an hour. And in the process, as corporate America invests in China, they are throwing out on the streets hundreds of thousands of American workers who used to make a living wage, who used to be able to join a union, who worked under some kinds of environmental protection. What an outrage, that corporate America has decided that it is better to pay Chinese workers starvation wages, have their government arrest those people if they form a union, and allow corporate America to destroy their environment.

Mr. Speaker, today is a day to stand up for living wages in this country. Not only are we seeing a huge loss of manufacturing jobs because of our trade policy with China, what we are seeing is wages being forced down. How is an American worker supposed to make a living wage competing against somebody who makes 20 cents an hour? The result is that today, millions of American workers are working longer hours for lower wages than was the case 20 years ago. High school graduates in America no longer get manufacturing jobs at decent wages. They work at McDonald's for minimum wage. The reason for that is those manufacturing jobs are now in China.

Let us stand today for American workers, for decent jobs, for decent wages, and let us support the Rohrabacher amendment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GILLMOR). The Chair informs those who are controlling time that their introductions of their next speakers—the time consumed in that—does come out of their time.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BENTSEN).

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

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding me this time.

There is not a Member of this House who agrees with all of the policies of the regime in China. I think there is not a Member in this House who would not like to see the Chinese government change their policies, whether it relates to their strategic relationship with the United States, whether it relates to groups such as the Falun Gong, whether it relates to their labor policy. But at the same time I do not think any Member of this House can make a credible argument that the United States unilaterally erecting trade barriers with the Chinese would somehow cause the Chinese government to change those policies. A unilateral action of what is proposed in the gentleman's resolution would only come back to hurt the United States.

Furthermore, I think Members need to understand, while we do have a trade deficit with China, it would be simplistic and incorrect to assume that there would be an exact substitution for the dollars of goods that we export to China going somewhere else versus what is imported here.

In fact, I would submit to the body that if we were to erect barriers and eliminate trade with China as the gentleman's resolution would ultimately do, we in effect would lose export dollars in the United States at the expense of American workers. I think that would be a very grave mistake. I would think it would be an even worse mistake given the fact that we know that the United States economy is in a great slowdown right now, perhaps closing in on a recession but certainly very slow growth. The rest of the world economy is experiencing slow growth. And so this is exactly the wrong time that we would want to be cutting off trade and the selling of U.S. goods and services when in fact our manufacturing sector is in a recession.

Mr. Speaker, I would hope that Members would realize that while from a rhetorical standpoint it may sound good, from a practical economic standpoint, the resolution would do nothing but bring harm to the United States.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Let me remind my colleagues, this has nothing to do with erecting economic barriers around China. It has nothing to do with an embargo. It has everything to do with removing a subsidy. That is the only effect of this vote that we are having right here today. The only effect of taking away normal trade relations from China is that big businessmen who want to set up a factory in China, maybe close one in the United States, are not going to get their loans guaranteed or their loan subsidized in order to set up that factory. It has nothing to do with stopping people from selling American products or erecting some sort of trade barriers.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, in 1941, about 6 months before Pearl Harbor, our former colleague Carl Andersen said that at some point in the near future we might be engaged in battle with a Japanese fleet. And if that occurred, we would be fighting a Navy whose ships were built with American steel and that were powered with American fuel. A few months after he made that statement, in fact, we were engaged at Pearl Harbor, December 7, 1941, losing hundreds of ships and aircraft and thousands of lives to a Japanese fleet that was built with American steel and powered with American petroleum.

Today, we are sending $80 billion more to China than they are sending to us. They are using those hard American trade dollars to build a military machine. A part of that military machine is the Sovremenny-class missile destroyers that they have now bought from the Soviet Union complete with Sunburn missiles that were designed for one thing and that is to kill American aircraft carriers. They are building coproduction plants for Su-27 aircraft, high performance fighters with the ability to take on American fighters very effectively. And with American trade dollars they are building a nuclear force, intercontinental ballistic missile force, aimed at American cities.

Mr. Speaker, we are leaving a century in which 619,000 Americans died on the battlefield. It is a century in which a great Democrat President, FDR, joined early on with Winston Churchill to face down Hitler and save the world for democracy. And it is also a century in which a great Republican President, Ronald Reagan, faced down the Soviet Union, brought down the Berlin Wall, and disassembled the Soviet military machine.

Let us not replace that Soviet military machine with another military superpower built with American trade dollars. Vote ''yes'' on Rohrabacher. Vote ''no'' on MFN for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PITTS), a strong proponent of engagement with China.

Mr. PITTS. Mr. Speaker, I rise in opposition to this resolution that would revoke normal trade relations with China. It is a mistake to declare economic warfare on 1.3 billion people on the other side of the globe, on China, which in effect this resolution would do.

We have NTR with about 190 nations. We do not with about four or five that we consider enemies. But instead of espousing the opinions of politicians and my own views, I was interested in finding out what are the views of those impacted by the human rights abuses in China? Those unregistered church leaders, pastors of unregistered house churches? I have some faxes here from some of them. This is what they say.

Here is a Chinese pastor: ''It is good and right that America be firm and strong on the issue of human rights but trying to enforce human rights through using NTR status as a lever is a misguided policy.''

□ 1815

Another one, a leader for over 20 years in a house church, he said, ''If

China cannot enter WTO, that means closing the door on China and also on us Christians. It will have a direct impact on China if it joins WTO and keeps its doors open to the outside world.''

I could go on and on. But, Mr. Speaker, this disapproving the 1-year NTR extension will accomplish nothing except pouring salt into the wound of those in China who desire freedom. It will reinforce the agenda of the hardline rulers in China.

We should support NTR, not for the corrupt dictators in Beijing, but for the people of China and the people of the United States. Only by continuing to actively engage China can we help stem the nationalism, the anti-Westernism of the communist leaders, help the reformers and have the opportunity to influence China for good. We should not withdraw; we should not be isolationists. We should vote against this resolution.

The SPEAKER pro tempore (Mr. GILLMOR). The Chair would inform the House of the order of closing. The order of closing will be as follows: the gentleman from California (Mr. ROHRABACHER); the gentleman from Michigan (Mr. LEVIN); the gentleman from Ohio (Mr. BROWN); and the gentleman from Illinois (Mr. WELLER).

The time remaining is as follows: the gentleman from Illinois (Mr. WELLER), 8 minutes; the gentleman from Ohio (Mr. BROWN), 9½ minutes; the gentleman from California (Mr. ROHRABACHER), 2½ minutes; and the gentleman from Michigan (Mr. LEVIN), 1 minute.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2¼ minutes to my friend, the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, let us turn to a recent statement by President Bush on trade sanctions. Calling sanctions a ''moral statement,'' President Bush ordered stricter enforcement of the U.S. trade embargo and greater support for the country's dissidents. ''It is wrong to prop up a regime that routinely stifles all the freedoms that make us human,'' said President Bush.

Unfortunately, of course, he was referring to that puny little nation of Cuba, and not to the giant economic military power, China. God forbid we should apply the same standards to someone as powerful as they are.

You know, driven by big business, policymakers in this body and downtown at the White House for more than 100 years have been talking about dramatic policy changes in China. They are coming. If you stacked up all of the agreements on trade, arms control, and human rights that have been negotiated and signed over the last 100 years by U.S. Presidents, you would have a new Great Wall, or more likely I guess you could call it an imaginary line, because the agreements are not worth the paper they are written on.

Most recently, the 1992 MOU on prison labor: violated, torn up, thrown away. The 1994 bilateral on textiles: violated, torn up, thrown away. 1992 MOU on market access; 1996, 1998 intellectual property; 1999 grains and poultry: all ignored and violated.

But the proponents, or should I call them the apologists, are constantly making new rationalizations, ''and this time it is really different,'' a little bit like maybe Lucy and the football; or perhaps we could say their arguments are as finely packaged as our Navy plane, which is coming back to us in pieces.

It is about U.S. jobs, they say; it is about engagement; it is about the dissidents. Well, here is a headline the day after we granted China permanent MFN status last year. The Wall Street Journal ran a front-page story. It said: ''Debate focused on exports, but, for many companies, going local is the goal.''

The gentleman who preceded me talked about dissidents. I sat with a dissident who said, you know, occasionally we were treated better when the U.S. took certain action.

Were those actions a doormat giving the Chinese everything they wanted? No. The few times we have gotten tough with China, the dissidents from prison were treated better. If we give them everything they want, like a spoiled child, we will get no change in their behavior.

Please, please, this is our last chance. Vote to send a message to China.

Mr. WELLER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, as we listen to the impassioned debate on both sides of this issue, people we all respect have differing views.

One group of people has been often overlooked in this debate, and that is the American worker. Trade with China means a lot to American workers. I think it is important to point out that 350,000 American families depend entirely on trade with China. In fact, exports to China are rising and will rise faster in a more open and free market with the Chinese.

Last year, U.S. exports to China increased a record 24 percent to $16.3 billion, and China is now our 11th largest export market. Trade with China is important to farmers and our rural communities. In fact, the U.S. farm exports to China could grow by $2 billion annually, nearly tripling our current rate of exports to China.

The point is, you are not pro-agriculture unless you are pro-free trade with China. I would also note that trade with China will also boost the technology sector, one of our weaker sectors today. We have seen the last 8 years a five-fold increase in exports to China from the technology community. The facts are, you are not pro-technology unless you are pro-free trade with China.

America is the world's largest exporter, and China is now our largest consumer.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK), a strong proponent of engagement with China.

Mr. KIRK. Mr. Speaker, I thank my friend from Illinois for yielding me time.

Mr. Speaker, as a member of the Human Rights Caucus, I rise in support of trade with China. China is in the middle of a historic transformation. Half of all construction cranes in the world now operate in China. More cell phone users and Internet subscribers will live in China than in Europe. Opening China will help human rights.

In the 1960s, 30 million people died in China of starvation, and it took the U.S. intelligence community over 20 years to even find out. Today, tens of thousands of Westerners travel throughout China each day. We know more about China than ever before, and we can fight for democratic change and more effective human rights better than ever before.

Martin Lee, the democratic leader of Hong Kong's pro-democracy forces, supports trade with China. Taiwan supports trade with China.

As the world is being remade in our image, I believe that free trade with China is the most effective way to support democratic change and human rights in China.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON of Indiana. Mr. Speaker, I thank the gentleman for yielding me time to speak in favor of House Joint Resolution 50.

Mr. Speaker, I was one of the 237 that voted for the most-favored-nation permanent relations with China last year, but since that time I have watched with interest the developments in China since we gave them the most-favored-nation status.

I have watched them confiscate our airplane and destroy it. I have watched the continuation of human exploitation. Instead of trade, I have watched slave trade abound in China. And as important as that, I have noticed that China continues to dump steel in this country to the detriment of the American worker in this country.

In the State of Indiana, the largest producer of steel has dropped substantially in terms of its steel production and steel exports with the loss of several thousand steel jobs in my State, along with Alabama, devastated by steel dumping, Pennsylvania, Michigan, Washington State, Detroit, Michigan, devastated by steel dumping. Thirty thousand steelworkers in Indiana had to accept shorter work weeks, lower-paying job assignments, or early retirement.

The Commerce Department has reported that 11,000 American steelworkers have been laid off, and I was pleased to see President Bush had taken a look at this for the purpose of maybe imposing quotas.

Mr. Speaker, I thank you for allowing me this opportunity to protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise today in strong support of revoking China's normal trade relations status. It has to be clear to all of us that granting China special trade status has not persuaded them to conform to standards of decency and fairness. Instead, their record of human rights abuses has worsened and trade imbalances have actually increased.

Today, U.S. companies import 36 percent of all Chinese exports, but the presence of U.S. purchasing power has done nothing to improve Chinese workers' lives. What is most alarming is that many of the products the U.S. imports are made by young children, children who work more than 12 hours a day and more than 6 days a week.

If the mere possibility of cheaper goods made by children, slaves and prisoners is worth all the human rights violations, the religious persecution, more forced abortions and sterilizations, then I do not think this country stands for what we know we believe in. Of course, we do not stand for that.

It is long overdue for U.S. trade policy to address human rights, workers' rights, and the environment. Trade is not free, trade is not fair, when there is no freedom and no fairness for the citizens of the country involved. Yet, year after year, this Congress grants special trade status to China.

This time, right now, tonight, let us have the courage to lever our economic strength and real reform and vote yes on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, as I have heard other Members, I rise today to give explanation to my protest vote today to deny China this normal trade relations, because I voted for PNTR. But already Lee Chow Min has been in China, a U.S. citizen, since February 25, 2001. His family and lawyers have not been able to access him.

A young mother, wife and academic, Dr. Zhou Yongjun, whose husband and son are U.S. citizens, whose 5-year-old son was kept for 26 days away from her, and she is now, if you will, incognito, with no lawyers and family able to see her.

I believe China's leaders can do something about their human rights abuses. I believe the Chinese leadership can stand up to the words and say we accept the benefits and we accept the burdens.

I am here today to vote in protest, because I demand that China become a citizen of the world, treat its citizens with respect, allow democracy and freedom; and I believe that if we say to China that we will take it no more, we will see a Chinese Government that understands that they can make a change.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, a year ago corporate CEOs flocked to the Hill to lobby for increased trade with China. They talked about access to 1.2 billion Chinese customers, but their real interest was in 1.2 billion Chinese workers.

CEOs tell us that democracies will flourish with increased trade; but, as the last decade showed, democratic nations in the developing world, such as India, are losing out to totalitarian governments such as China, where people are not free and the workers do as they are told.

In the post-Cold War decade, the developing democratic nations' share of developing country exports to the U.S. fell from 54 percent to 35 percent.

□ 1830

Decisions about Chinese economy are made by three groups: the Communist party, the People's Liberation Army, and western investors. Which of these three groups wants to empower workers?

Does the Chinese Communist party want the Chinese people to enjoy increased human rights? I do not think so.

Does the People's Liberation Army want to close the labor camps? I do not think so.

Do western investors want Chinese workers to bargain collectively and be empowered? I do not think so.

None of these groups, the Chinese Communist party, the People's Liberation Army, or western investors, none of these groups has any interest in changing the status quo in China. All three profit too much from the situation the way it is to want to see human rights improve in China, to want to see labor rights improve on China.

Mr. Speaker, vote ''yes'' on the Rohrabacher-Brown resolution. Send a message to the Communist party in China.

Mr. ROHRABACHER. Mr. Speaker, I yield myself the balance of the time.

Let me note as we close this debate that over and over again in this debate I have stated that the only practical effect and, let us say, the dominant effect of Normal Trade Relations with China is one thing, and that is that it ensures that a subsidy that we currently provide to American businessmen to close their factories in the United States and rebuild factories in China to exploit the slave labor there, that that is the only practical effect of Normal Trade Relations. If we deny Normal Trade Relations, no longer will these big businessmen be able to get a taxpayer, U.S. Taxpayer-guaranteed loan or subsidized loan in order to build a factory in Communist China so that they can exploit the slave labor there.

When we are asked to consider the American worker, I hope we will consider that, because there may be 400,000 American workers, maybe, depending on the China trade, but that does not take into consideration the millions of American workers who have lost their jobs because we have subsidized big businessmen to go to China and invest there, rather than to try to invest in the United States of America.

If my colleagues will note, no one on the other side has sought to try to disprove that point, and over and over again I made the point. I would challenge my opponents here tonight in their closing statement to say that that is not true. Well, they cannot say that, because they know that that is the practical effect of this vote.

We were asked by the gentleman from Illinois, will the young people of China know anything more about democracy if we deny normal trade relations? My answer is, emphatically, yes. The young people of China will understand that this greatest democracy on earth is standing with them and their aspirations to have a free country and to live in freedom and democracy and have decent lives. They will learn that, the young people will learn that, rather than learn the lesson of today, that America is doing the bidding of a few billionaires who are in partnership, as the gentleman from Vermont (Mr. SANDERS) said, an unholy alliance with the dictators of China in order to exploit slave labor. Yes, we can teach them a lesson.

This is not about free trade. It is not about whether people can trade with China. It is whether or not we are going to side with those billionaires and those dictators in China against the people of China.

The people of China are our greatest ally. We must reach out to them, not to the rulers. When we talk about free trade with a dictatorship, we are talking about them controlling trade on the other side so they can make the billions of dollars and put it to use buying military equipment which will some day threaten American soldiers.

Mr. Speaker, I ask my colleagues to support my initiative to deny Normal Trade Relations with this Communist Chinese dictatorship.

Mr. LEVIN. Mr. Speaker, I yield myself the remaining time.

Most likely, this is not the last time we are going to be debating our relationship, including our trade relationship, with China. They were going to go into the WTO with or without U.S. support. So what we did last year was to decide we needed to both engage and pressure China. The assumption was that trade is the important part of engagement, but it is not a magic path. It will not automatically, even over time, bring about democracy.

So, in part, we responded by setting up a commission. It will be in operation soon at an executive congressional level. It is charged with submitting to the Congress and the President an annual report with the committee of jurisdiction required to hold hearings, and it is assumed that they will,

it says, with a view of reporting to the House appropriate legislation in furtherance of the commission's recommendations.

This has been a useful debate. We need to keep the light and the heat on this issue, and we intend to do just that.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Speaker, I stand to ask my colleagues to vote ''yes'' on this resolution and ''no'' to Most Favored Nations trading status for China. I am honored to stand here and be the last speaker; and I stand on the work of my colleagues, the gentlewoman from California (Ms. PELOSI), the gentleman from Virginia (Mr. WOLF), the gentleman from California (Mr. LANTOS), and the gentleman from California (Mr. ROHRABACHER). I stand upon their work and their shoulders.

I would like to ask my pro-life colleagues something. I am pro-choice, but whether one is pro-life or pro-choice, how can we give Most Favored Nation trading status to a nation that forces women to have abortions? That is not pro-life. That is not pro-choice.

We just had a debate about religious freedom in this Chamber, and both sides of the issue professed to support religious freedom in the context of charitable choice. How can one support religious freedom and support Most Favored Nation trading status for a country that forces free churches to hide in attics and basements?

Labor rights. If you are a student organizer in China, you get jail time. If you are a labor organizer in China, you get a bullet in the back of the head. If we support labor rights, how can we support Most Favored Nation trading status for China?

Finally, to my so-called pro-business colleagues in this House, I was an international trade lawyer and an intellectual property attorney. What I see is a nation that sells us $100 billion worth of goods and we sell them $16 billion of goods. That is $84 billion worth of leverage that we are leaving on the negotiating table. I would have committed legal malpractice if I had not used that leverage, and I will tell my colleagues this: If we approve this resolution today, his excellency, the ambassador of the People's Republic of China, will crawl across broken glass to the other Chamber to make sure that they do not vote the same way.

Freedom does not automatically come from trade. It is an act of will. It is an act of human choice.

The SPEAKER pro tempore (Mr. GILLMOR). The time of the gentleman from Oregon (Mr. WU) has expired.

(By unanimous consent, Mr. WU was allowed to proceed for 2 additional minutes.)

Mr. WU. Mr. Speaker, to those who say freedom automatically follows trade, I offer the historic example of a century ago. In 1900, more of international GDP was international trade than today. More of international GDP was invested in foreign countries than today. And there were writers in 1890 and 1900 who said, war is impossible, because nations and business people surely will not bombard their own investments. They were wrong. They were wrong.

Freedom does not automatically follow trade and business. Freedom is an act of human will.

And to those who say that this is a futile debate, I say: tough, yes; futile, no. No more tougher than what our predecessors faced.

I got across the street to the library of Congress the other day. I got in before it opened. Apparently, their security guards are a little bit more lax than those at the Department of Energy. And I found a letter from Mr. Jefferson written in 1826, 10 days before he died. He was invited to this city to celebrate the 4th of July, and this was his response: ''I should indeed, with peculiar delight, have met and exchanged there, congratulations personally, with a small band, the remnant of that host of worthies, who joined with us on that day in the bold and doubtful election we were to make for our country, between submission or the sword, and to have enjoyed with them the consolatory fact that our fellow citizens, after half a century of experience and prosperity, continue to approve the choice that we made.''

Mr. Speaker, freedom is a choice. We can make a choice today to send a strong signal and use the leverage that we have. Mr. Jefferson had a broader vision for freedom in this world. He continued in that letter, 10 days before his death, speaking of the 4th of July: ''May it be to the world what I believe it will be (to some parts sooner, to others later, but finally to all), the signal of arousing men to burst their chains.''

I ask my colleagues to vote for this resolution and against Most Favored Nation trading status for China.

Mr. WELLER. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I rise in strong opposition to H.J. Resolution 50, which would cut off Normal Trade Relations with China. I respect my colleagues on both sides of the aisle who oppose free trade with China, but I believe that this resolution is terribly shortsighted. When recognizing the reforms of the Chinese government and the hard-fought gains of America's consumers, workers and exporters, and given how close China is to accepting comprehensive trade disciplines of the World Trade Organization's membership, I would note that China is agreeing to live by the same rules that all leading trading nations live by.

This past year, this last July, this House voted in a bipartisan vote, 237 to 197, to extend Normal Trade Relations to China upon their admission to the World Trade Organization, and we expect China to fully and officially assume responsibilities of WTO membership by the end of this year. Defeat of H.J. Res. 50 is necessary to support Special Trade Representative Zoellick's decision to take the extra time to ensure that China's concessions to the United States are as clear and expansive as possible.

Despite its history and historic policies which many of us have disapproved of, as well as disagreed with, China has made it clear that they are fully prepared and finally prepared to join the world of trading nations by accepting the fair trade rules of the World Trade Organization. This is progress, and we must support this type of progress.

While we see that the Chinese people still face overwhelming problems with the behavior of their government and their leaders, it is imperative to understand that China is changing. The last 10 years represent the most stable and industrious decade China has known in the last 150 years. WTO membership and Normal Trade Relations with the United States offers the best tool we have to support the changes we have witnessed over the last few years in China.

With these changes, we have seen now that more than 40 percent of China's current industrial output comes from private firms, 40 percent of China's output now comes from free enterprise, and urban incomes in China have more than doubled. Engagement with China is working, the exchange of ideas and our values with China is working, and we must continue our engagement and free trade with China.

The bottom line for American workers is it offers a tremendous amount of opportunity, opportunity for our farmers, opportunity for those who work in manufacturing, opportunity for our hard-hit technology sector.

But I would note that America is not only the world's largest exporter but China is again the world's largest consumer. Over the next 5 years, China will have more than 230 million middle-income consumers with retail sales exceeding $900 billion, making China the world's largest market for consumer goods and services.

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We are making a choice today, Mr. Speaker: Do we want our farmers, do we want our manufacturing workers, do we want our creative friends in the technology sector to have an opportunity to participate in the globe's largest market of 1.3 billion people? I believe we do. I believe a bipartisan majority supports continued engagement, as well as free trade with China.

Revoking normal trade relations at this time would undermine the success of the free enterprise and social reforms taking place today in China. Let us not turn our backs on the gains our negotiators have gained with China, gains that benefit America's farmers, America's businesses, America's workers, and America's consumers.

Instead, let us give capitalism a true chance in China. I urge a vote no on House Joint Resolution 50.

Ms. DEGETTE. Mr. Speaker, I rise today to oppose H.J. Res. 50. I firmly believe that engagement is the only thing that will bring positive change in the Republic of China in the areas that I care so deeply about: human rights, labor and environmental sustainability.

China is well on its way to joining the WTO, so the vote today is largely symbolic.

I have consistently voted to support the annual extension of NTR status because of my belief that revoking it would worsen our relationship with China and negatively impact these issues. In addition, it could worsen the national security issues that have long plagued U.S.-China relations.

Closing the door on China will not improve the lives of those who are suffering under an oppressive regime. It will not raise the standard of living in China. And it will not benefit our citizens by opening the market for American goods and services.

In my state alone, there are already hundreds of companies that have begun exporting products to China. The potential for increased trade once China has lowered its tariffs is enormous in such areas as manufactured goods, technology and agriculture, just to name a few. A more open market will create significant new business opportunities for a broad cross section of Colorado businesses. Enhanced trade relations with China will economically benefit my district, my state and the nation as a whole.

After much discussion and deliberation I decided to support PNTR because I strongly believe it will economically benefit the people of Colorado, and because I believe continued long-term engagement with China is the best way to promote democracy and protect human rights.

An open door to the West provides the best hope for progressive change in China over the long term, both in terms of American business opportunities and human rights. It is possible to both reap the economic benefits and help promote democracy and free markets in China. Enhancing trade and diplomatic relations will accomplish these goals.

Mr. ROEMER. Mr. Speaker, I rise today in strong opposition to H.J. Res. 50, disapproving Normal Trade Relations with China. We are considering a critically important piece of legislation that we must defeat; legislation that will affect the way our Nation and our world progress into the new millennium. However, I would like to outline three simple points that should show why supporting Normal Trade Relations for China is the right thing to do, both for the benefit of the United States and the people of China. Those three points are the economic benefits to American workers and business, the human rights benefits for the people of China, and the necessity to move forward into a more productive and challenging relationship with the government of China.

First, and most important to our communities and constituents, is the way in which NTR for China will help Americans economically. Many people become understandably confused over the complexities of trade policy. However, the necessity of NTR can be easily explained. Although I am disappointed China has still not joined the WTO—as expected last year—it is anticipated that they will accede this coming autumn. However, as part of the terms of their accession to the WTO, China was required to negotiate a bilateral trade agreement with the United States. We won those negotiations.

Last year's agreement that was reached requires China to throw open its doors to American business and agriculture. They will reduce tariffs on American-made products from automobiles and aircraft landing systems to soybeans and pork products. They will dramatically reduce existing quotas on American made products. They will increase the access to their domestic economy by opening up distribution and marketing channels. All of these changes mean that American businesses will be able to sell more of their products to more Chinese people. At the same time, the United States gives up nothing to the Chinese—not one single thing. There is absolutely nothing in this agreement that would encourage an American company to move to China. In fact, the agreement actually gives American companies more incentive to stay in the United States. More exports to China means more jobs for Americans at better wages. Enacting NTR will change the status quo, and allow us to export American products, not American jobs.

However, if this body fails to defeat this measure today, the United States will not be able to take advantage of that deal. The current status quo will remain, and American companies will find it increasingly difficult to sell their wares to a booming Chinese market. In fact, due to the fact that the European Union and other countries in Asia and around the world have similar agreements with China, American companies will actually be worse off than they are now! The other WTO members will be able to market their products to China more efficiently than we can, effectively shutting the United States out of the China market.

The choice is simple: Economic stagnation and regression or commercial growth and prosperity. We need to respond to the new global economy, driven by a technological revolution, with a new fair trade policy. The choice is just as clear on the issue of human rights.

It may be easy for people in Washington, D.C. to speculate what policies might be best for the Chinese people. However, when it comes to improving the human rights and political freedoms of people in China, I tend to place more weight on what the people in China, fighting those fights every day, think is best for themselves. The following human rights advocates strongly endorse this new policy:

Martin Lee—chairman of the Democratic Party of Hong Kong which struggles daily to maintain the freedoms that are unique to that region;

Xie Wanjun—chief director of the China Democracy Party, most of whose members are now in detention in China;

Nie Minzhi—a member of the China Democracy party who is under house arrest as we stand in this chamber today;

Zhou Yang—a veteran of the 1979 Democracy Wall movement;

Boa Tong—a persecuted dissident and human rights activist;

Dai Quig—an environmentalist and writer who served time in prison after Tiananmen Square;

Zhou Litai—a pioneering Chinese labor lawyer who represents injured workers in legal battles against Chinese companies;

Even the Dalai Lama himself, probably the most famous Chinese dissident in the world, supports the WTO accession.

All of these people have been fighting for democracy and freedom in China on the ground, day-to-day. They all say the same thing: Support PNTR for China. They say this because they have seen how the annual renewal of NTR for China has become a bargaining chip for an oppressive government. They have seen firsthand how engagement with the United States had made China a more open society. They don't want to become isolated from the world. They want to join us in freedom and democracy.

Working to ensure human rights in China is the right thing to do. However voting against NTR is not the way to do it. We need to listen to the brave people fighting the good fight on the ground in China, and we need to pass NTR. Very prominent Americans, such as the Rev. Billy Graham and President Jimmy Carter, agree with this approach.

Finally, I want to stress the need for a change in our relationship with China. While we have come to see some improvement in China since the late 1970's, the Chinese government has still remained insular, resistant to change, and unwilling to allow sweeping reforms. The relationship between our two countries has warmed, but it has not completely thawed.

Voting against NTR is telling China and the rest of the world that you like things the way they are today; that you prefer the status quo. As an elected representative to Congress however, I cannot in good conscience say that keeping the status quo with China is the best way for our country to proceed in this new millennium.

Isolation and recrimination in the face of repression get us nowhere. One only has to look to China's neighbor, North Korea. We cut that country off from the world fifty years ago, and look what happened to them. North Korea is easily one of the most unstable, irrational, and hostile nations on this planet. Human rights and political freedoms are non-existent, and on top of it all, its people are slowly starving to death in a massive famine. Is that what we want China to become? Do we want to shut China off from the world? Will we refuse the challenge and engage the Chinese government?

I say that pursuing a policy of thoughtless isolationism is not only economical suicide for the American worker, it is also callously dismissive of those brave souls in China who are trying to create change and fight for human rights.

We must vote against this resolution today. We must actively work to make our world a better place for our children. We must reach out to the Chinese and attempt to lead them down the right path to embrace our values of democracy, open markets, and human rights. We must help them become a modern nation. The United State will probably be the main beneficiary of this evolution in China, but it will help the Chinese people some day join our fellowship of democratic nations with a respect for universal human rights.

For these reasons, Mr. Speaker, will vote to defeat this disapproval resolution, H. J. Res. 50, and I strongly encourage my colleagues to support continued engagement and free and fair trade with China.

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to the annual request for Normal Trade Relations (NTR) status for China and support H.J. Res. 50 to reject this request.

While I hope and believe we should continue to seek engagement with China and other nations around the world, I also think it's clear that on the key issues of trade, human rights and rule of law, the behavior of the Chinese regime has deteriorated in the past year. The Chinese leadership fails to respect or support the aspirations of its own people. Unfortunately, when it comes to trade and other relations, China is not yet a responsible partner in the international arena.

Most worrisome is the ongoing record of human rights abuses detailed in the State Department's ''Country Reports on Human Rights Practices for 2000.'' The report states: ''China's poor human rights record worsened during the year, as the authorities intensified their harsh measures against underground Christian groups and Tibetan Buddhists, destroyed many houses of worship, and stepped up their campaign against the Falun Gong movement. China also sharply suppressed organized dissent.''

China's abuse of academic experts who simply want to study that nation's economic, political and cultural systems has been well documented in the past year. Both Chinese and American citizens have been swept up in the Chinese government's attack on academic freedom. Earlier this year, I wrote Chinese authorities to protest the detention of several Chinese-born U.S. citizens or permanent residents detained in China. Two of these individuals have been formally charged with espionage, though no information or evidence has been presented to justify these charges. Another was sentenced to a three year prison term for ''prying into and illegally providing state intelligence overseas,'' after she attempted to document the forcible detention of Falun Gong members in mental institutions. Others remain in detention and under interrogation.

I have strong reservations about the granting of the 2008 Olympic Games to Beijing, in light of China's poor record on the individual rights and freedoms that this competition embodies. However, with this award, the Chinese government should know that its human rights abuses will be scrutinized because of the increased attention that China will receive during preparations for the 2008 Olympics.

While this is likely to be the last vote on annual NTR for China, I am confident that the Congress will not abandon its role of monitoring Chinese abuses of human rights. The newly established Congressional-Executive Commission on China will assist the Congress in maintaining its traditional tough scrutiny of the Chinese government.

China has a track record of suppressing the yearning of the Chinese people for democracy, and cracking down on those who would fight for their freedom, and a nation that does not respect the rule of law will not likely be interested in protecting intellectual property or other pillars of normal trade relations. I urge my colleagues to consider the reality of the situation in China as it is today, and to join me in affirming the bedrock values of our society. I urge my colleagues to turn back annual NTR until China becomes a responsible nation in a free and fair international trade regime.

Ms. LEE. Mr. Speaker, I rise in support of this amendment to disapprove Normal Trade Relations with China.

Last year Congress voted to grant Permanent Normal Trade Relations to China.

After much consideration, I voted against that bill because I did not believe that the United States should enact a trade policy that rewards the use of child and prison forced labor; environmental degradation; and religious and political repression.

I also opposed PNTR because of the enormous, $83 billion dollar trade deficit we have with China.

The Economic Policy Institute estimates that PNTR will cost 872,000 American jobs in the next decade, 84,000 of them from my home state, California.

That deficit is growing larger, while our own economy is slowing down, making jobs an even more precious commodity.

We cannot make American jobs a casualty of our trade policy.

And while the trade deficit increases, so does China's persecution of its own citizens.

Our trade policy has done nothing to promote the protection of human rights.

The Chinese government has trampled reproductive rights of women, imprisoned Falun Gong practitioners for carrying out their exercises, and arrested political dissidents for the simple expression of their beliefs.

I support free and fair trade. An $83 billion dollar deficit that siphons off American jobs is not free and fair.

A national industrial policy that is based on the forced labor of children and prisoners is not free and fair.

Therefore, I urge you to support H.J. Res. 50.

Ms. LOFGREN. Mr. Speaker, I rise to oppose H.J. Res. 50, the measure denying China Normal Trade Relations. Just last year, we approved historic legislation (HR 4444) providing for Permanent Normal Trade Relations (PNTR) for China conditional on China's accession to the World Trade Organization. Those talks have not concluded, so yet again, we are called on to vote on a measure denying Normal Trade Relations for China. I urge my colleagues to vote no.

Now more than ever it is important that we engage China for domestic and foreign policy reasons.

On the domestic side, access to China-our 4th largest trading partner is important to US workers and US companies, especially our high-technology industry. In 2000, the high-tech sector accounted for 29% of US merchandise exports and has accounted for 30% of GDP growth since 1995. This in turn has led to greater prosperity for American workers. In 2000 (according to AeA's Key Industry Statistics) the Average Wage in the High-Tech Industry was $83,103. An estimated 350,000–400,000 US jobs depend on our exports to China. The case for trade with China is clear on the domestic front.

But the case on the foreign policy side is also compelling. Free markets cannot prosper in authoritarian regimes and authoritarian regimes cannot long survive the impact of freedom and free markets. Change in China will be incremental. Where American engagement with China will promote human rights, revoking NTR status for China would simply curtail American influence in this important area.

At the beginning of a new millennium, we should not regress and isolate China, we should help engage China in the world community. It is my strong belief that helping to engage China in the world community will advance the cause of freedom. I urge my colleagues to join me in voting against H.J. Res. 50.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong opposition to House Joint Resolution 50, which would deny extension of normal trade relations (NTR) to the People's Republic of China. I urge our colleagues to vote against the measure.

Mr. Speaker the decision before us is one of the most important actions taken by this Congress. The arguments for and against granting NTR to China are exceedingly broad and complex. The stakes, too, are tremendous, as it involves America's relationship with the world's largest nation, a nation composed of one-fifth of humanity.

I commend my colleagues and deeply respect their commitment regardless of their position on the issue before us, for there are valid and compelling arguments to be made on both sides.

For those who oppose NTR for China, I agree that China continues to be plagued with serious problems—from human rights abuses, to trade imbalances, to growing military and security concerns.

However, none of these problems will be resolved by attempts to isolate and disengage from China by denial of NTR status.

If anything, isolating China will only encourage it to turn inwards, making matters worse and likely resulting in increased violations of human rights, lessened respect for political and social progress for China's citizens, and heightened paranoia of other nations' intentions resulting in expanded Chinese military spending.

It is important for the U.S. to remain engaged with China and granting NTR status that will assist China's entry into the World Trade Organization is one very major way to achieve that objective while gaining WTO protections for our trade interests. Additionally, China's membership in the WTO will further open up China to the international community and force its compliance with WTO multinational standards and rules of law. With WTO enforcement, this will ensure China and the U.S. trade on a level playing field, which should go a long way toward rectifying our present trade imbalance.

Although the trade incentives for extending China NTR are obvious and apparent, Mr. Speaker, the most important consideration for me concerns what will best promote democratization and continued political, social and human rights progress in China.

On that point, Mr. Speaker, I find most persuasive and enlightening the voices of those Chinese who have been persecuted and are among China's most ardent and vocal critics—individuals who would be expected to take a hard line stance against the Beijing government.

Prominent Chinese democracy activists such as Bao Tong, Xie Wanjun, Ren Wanding, Dai Qing, Zhou Litai and Wang Dan have urged the United States to extend China normal trade relations as it would hasten China's entry into the WTO, forcing adherence to international standards of conduct and respect for the rule of law. Moreover, they urge that closer economic relations between the U.S. and China allows America to more effectively monitor human rights and push for political reforms in China.

Joining their voices are other Chinese leaders who have opposed Beijing's communist

control, including Hong Kong's Democratic Party Chairman Martin Lee and Taiwan's President Chen Shui-bian. Both Lee and Chen have called for normalization of trade relations between the U.S. and China and WTO accession by China.

Mr. Speaker, we should listen to the wisdom of these courageous Chinese, whose credentials are impeccable and who clearly have the interests of all of the Chinese people at heart. They know that it is absolutely crucial and vital for continued political, social and human rights progress in China that the U.S. maintain and expand its presence there through trade.

The Chinese people plead for the U.S. to remain engaged and not turn away from China because our nation is the only one with the power, the conscience, and the fortitude to push for true reforms and democracy in China.

Mr. Speaker, I urge our colleagues to heed the best interests of the Chinese people as well as the American people by normalizing trade relations between our nations and opposing the legislation before us.

Mr. BLUMENAUER. Mr. Speaker, I oppose H.J. Res. 50 and express my strong support for Normal Trade Relations for China. Unfortunately, due to family commitments in my hometown of Portland, Oregon, I will be unable to vote on the motion today.

Last year Congress overwhelmingly made a difficult decision that we were following path of engagement with the Chinese by voting to approve China's admission to the WTO and extending Permanent Normal Trade Relations. In so doing, the majority of Congress and the leaders of both political parties aligned themselves with the forces of change and reform in China.

Because Chinese ascension to WTO has taken longer than we anticipated, we are back again with the need to do the last annual extension. We continue our roller-coaster relationship with China, although nothing has fundamentally changed. China continues to be ruled at the top by party and military leaders who are threatened by China's engagement with the United States and the broader world.

Chinese leaders fear further penetration of the Chinese market by foreign economic powers, especially the United States. Tearing down economic barriers that would permit us to trade effectively would have a destabilizing effect on the repressive regime. Indeed, the distance that China has already traveled from the butchery and starvation of the Great Leap Forward and chaos of the Cultural Revolution today is almost unimaginable.

Engagement will play to the positive forces of change, which are strengthening the new generation of entrepreneurial spirit, provincial and municipal leadership, and new business partnerships.

A classic example happened earlier this year when an explosion occurred at a school based fireworks factory where children were being forced to assemble firecrackers as young as 3rd and 4th graders in this school. The official Chinese line was that a suicide bomber had entered a school and detonated an explosion. Within days, due to the magic of Chinese e-mail, the Chinese Premier was forced to acknowledge that it was an accident in the school-based factory. Through modern communications the reality was out instantly all across China and the truth triumphed.

This is just one example of how reform is happening daily in hundreds of examples on a smaller scale that illustrate the point. It's not going to be quick or easy. But we can use the leverage of WTO membership to accelerate the progress and hasten the day when the Chinese people will enjoy the liberties that we to often take for granted.

Failure to renew now would be a serious mistake. We have already embarked on a policy of engagement and established a policy on it. To reverse course now would have an extraordinarily destabilizing effect on our relationship, at a time when we are attempting to reduce tensions between the two countries. Economics would be the least of our worries. This would be a gratuitous and unfortunately escalation of pressures on our side, which would frustrate, if not infuriate the Chinese, confound our allies, and delight our business competitors.

History suggests isolation will not have the impact desired by opponents of normal relations with China. It's particularly ironic that some are calling for disengagement with China at a time when we are now inching towards acknowledging our policy of attempting to isolate a much smaller country, Cuba, has been a failure. It's only harmed the Cuban people and prolonged the life of the Cuban dictatorship. Had we opened our borders, engaged in commerce and interaction, Castro would certainly be less powerful, and probably a thing of the past.

China's behavior continues to be troubling and its record on human rights is atrocious; the potential is great that our frustrations with China may even escalate in the near term. Trading with China is not going to solve all our problems. We are still going to have to be aggressive in our negotiations, vigilant for human rights, the environment, and trade compliance. With China in the WTO we will have more tools and more allies in this struggle.

Given the overwhelming positive effects of trade and engagement with China, I urge my colleagues to support continued NTR with China and vote no on the disapproval resolution.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to the order of the House of Tuesday, July 17, 2001, the joint resolution is considered as having been read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WELLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 169, nays 259, not voting 6, as follows:

[Roll No. 255]

YEAS—169

Abercrombie	Hastings (FL)	Pickering
Aderholt	Hayes	Pombo
Akin	Hayworth	Quinn
Baca	Hefley	Radanovich
Baldacci	Hilleary	Rahall
Baldwin	Hilliard	Regula
Barcia	Hinchey	Reyes
Barr	Hobson	Riley
Bartlett	Hoeffel	Rivers
Barton	Holden	Rogers (KY)
Berkley	Hostettler	Rohrabacher
Bilirakis	Hoyer	Ros-Lehtinen
Bonior	Hunter	Ross
Borski	Hyde	Rothman
Brady (PA)	Jackson (IL)	Roybal-Allard
Brown (FL)	Jackson-Lee (TX)	Royce
Brown (OH)	Jenkins	Rush
Burr	Jones (NC)	Sabo
Burton	Jones (OH)	Sanchez
Capito	Kaptur	Sanders
Capuano	Kennedy (RI)	Sandlin
Cardin	Kildee	Sawyer
Carson (IN)	Kilpatrick	Scarborough
Clay	King (NY)	Schaffer
Clayton	Kingston	Schakowsky
Coble	Kucinich	Scott
Collins	Langevin	Sensenbrenner
Condit	Lantos	Sherman
Costello	LaTourette	Smith (NJ)
Cox	Lee	Solis
Coyne	Lewis (GA)	Souder
Cubin	Lipinski	Spratt
Cummings	LoBiondo	Stark
Davis (IL)	Markey	Stearns
Davis, Jo Ann	Mascara	Strickland
Deal	McCollum	Stupak
DeFazio	McIntyre	Tancredo
Delahunt	Menendez	Taylor (MS)
Diaz-Balart	Millender-McDonald	Taylor (NC)
Dingell	Miller, George	Thompson (MS)
Doyle	Mink	Tierney
Duncan	Mollohan	Towns
Ehrlich	Nadler	Traficant
Evans	Ney	Udall (CO)
Everett	Norwood	Udall (NM)
Fattah	Obey	Velazquez
Frank	Olver	Visclosky
Gephardt	Owens	Wamp
Gillmor	Pallone	Waters
Gilman	Pascrell	Watson (CA)
Goode	Pastor	Weldon (FL)
Graham	Payne	Wexler
Green (TX)	Pelosi	Wolf
Gutierrez	Peterson (MN)	Woolsey
Hall (OH)	Phelps	Wu
Hansen	Pickering	Wynn
Hart	Pombo	Young (AK)

NAYS—259

Ackerman	Castle	Fletcher
Allen	Chabot	Foley
Andrews	Chambliss	Forbes
Armey	Clement	Ford
Bachus	Clyburn	Fossella
Baird	Combest	Frelinghuysen
Baker	Conyers	Frost
Ballenger	Cooksey	Gallegly
Barrett	Cramer	Ganske
Bass	Crane	Gekas
Becerra	Crenshaw	Gibbons
Bentsen	Crowley	Gilchrest
Bereuter	Culberson	Gonzalez
Berman	Cunningham	Goodlatte
Berry	Davis (CA)	Gordon
Biggert	Davis (FL)	Goss
Bishop	Davis, Tom	Granger
Blagojevich	DeGette	Graves
Blunt	DeLauro	Green (WI)
Boehlert	DeMint	Greenwood
Boehner	Deutsch	Grucci
Bonilla	Dicks	Gutknecht
Bono	Doggett	Hall (TX)
Boswell	Dooley	Harman
Boucher	Doolittle	Hastert
Boyd	Dreier	Hastings (WA)
Brady (TX)	Dunn	Herger
Brown (SC)	Edwards	Hill
Bryant	Ehlers	Hinojosa
Buyer	Emerson	Hoekstra
Callahan	English	Holt
Calvert	Eshoo	Honda
Camp	Etheridge	Hooley
Cannon	Farr	Horn
Cantor	Ferguson	Houghton
Capps	Filner	Hulshof
Carson (OK)	Flake	Hutchinson

Inslee	McKeon	Shadegg
Isakson	McNulty	Shaw
Israel	Meehan	Shays
Issa	Meek (FL)	Sherwood
Istook	Meeks (NY)	Shimkus
Jefferson	Mica	Shows
John	Miller (FL)	Shuster
Johnson (CT)	Miller, Gary	Simmons
Johnson (IL)	Moore	Simpson
Johnson, E. B.	Moran (KS)	Skeen
Johnson, Sam	Moran (VA)	Skelton
Kanjorski	Morella	Slaughter
Keller	Murtha	Smith (MI)
Kelly	Myrick	Smith (TX)
Kennedy (MN)	Napolitano	Smith (WA)
Kerns	Neal	Snyder
Kind (WI)	Nethercutt	Stenholm
Kirk	Northup	Stump
Kleczka	Nussle	Sununu
Knollenberg	Oberstar	Sweeney
Kolbe	Ortiz	Tanner
LaFalce	Osborne	Tauscher
LaHood	Ose	Tauzin
Lampson	Otter	Terry
Largent	Oxley	Thomas
Larsen (WA)	Paul	Thompson (CA)
Larson (CT)	Pence	Thornberry
Latham	Peterson (PA)	Thune
Leach	Petri	Thurman
Levin	Pitts	Tiahrt
Lewis (CA)	Platts	Tiberi
Lewis (KY)	Pomeroy	Toomey
Linder	Portman	Turner
Lofgren	Price (NC)	Upton
Lowey	Pryce (OH)	Vitter
Lucas (KY)	Putnam	Walden
Lucas (OK)	Ramstad	Walsh
Luther	Rangel	Watkins (OK)
Maloney (CT)	Rehberg	Watt (NC)
Maloney (NY)	Reynolds	Watts (OK)
Manzullo	Rodriguez	Waxman
Matheson	Roemer	Weiner
Matsui	Rogers (MI)	Weldon (PA)
McCarthy (MO)	Roukema	Weller
McCarthy (NY)	Ryan (WI)	Whitfield
McCrery	Ryun (KS)	Wicker
McDermott	Schiff	Wilson
McGovern	Schrock	Young (FL)
McHugh	Serrano	
McInnis	Sessions	

NOT VOTING—6

Blumenauer	Engel	Saxton
DeLay	McKinney	Spence

□ 1909

Mrs. MEEK of Florida and Messrs. EHLERS, LAHOOD, LARGENT, WATT of North Carolina, SHOWS, and ENGLISH changed their vote from ''yea'' to ''nay.''

Ms. SANCHEZ, Messrs. NORWOOD, RADANOVICH, DINGELL, and Ms. WATERS changed their vote from ''nay'' to ''yea.''

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GIBBONS. Mr. Speaker, I hit the wrong key on the recorded vote No. 255 on passage for H.J. Res. 50. I voted ''no'' accidently and would like it to be changed to ''yea'' for the RECORD.

PROVIDING FOR CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 199 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 199

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4 of rule XIII are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. Points of order against provisions in the bill, as amended, for failure to comply with clause 2 of rule XXI are waived except as follows: page 75, lines 17 through 23; page 107, lines 11 through 17. No further amendment to the bill shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

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

(Mr. DIAZ-BALART asked and was given permission to revise and extend his remarks.)

Mr. DIAZ-BALART. Mr. Speaker, House Resolution 199 is a modified open rule providing for the consideration of H.R. 2506, the fiscal year 2002 foreign operations appropriations act.

The rule provides 1 hour of general debate, evenly divided and controlled by the chairman and ranking member of the Committee on Appropriations. Any Member wishing to offer an amendment may do so, as long as it complies with the regular rules of the House and has been printed in the CONGRESSIONAL RECORD for other Members to see.

This is, as I have said, Mr. Speaker, a modified open rule that will allow all Members the opportunity to offer amendments. This is, obviously, a fair rule that will allow Members ample opportunity to debate the very important issues which are connected to this underlying legislation.

□ 1915

The underlying legislation is a product of bipartisanship. The Committee on Appropriations has funded a wide variety of programs while staying within the strict budgetary constraints. The bill provides funding for debt relief for heavily indebted countries. It increases funding for the Peace Corps. It increases funding for the Child Survival and Health Programs Fund. It provides disaster relief for our friends and neighbors in El Salvador.

The legislation also reaffirms our commitment to our great ally, Israel, by fully funding President Bush's request of almost $3 billion for aid to Israel.

The bill also includes language that requires the President to determine whether the PLO is complying with its commitments to renounce terrorism. If the President cannot determination that the PLO is in substantial compliance with its commitments, then he must impose one or more of the followings sanctions for a time period of at least 6 months: either the closure of the PLO office in Washington, the designation of the PLO or one or more of its affiliated groups as a terrorist organization, and the limitation of assistance provided under the West Bank and Gaza program of humanitarian assistance.

Additionally, H.R. 2506 provides funding for portions of the President's Andean Regional Initiative. The Andean region, Mr. Speaker, is home to the only active insurgent movement in our hemisphere and home to the most intensive kidnapping and terrorist activity in our hemisphere. These activities pose a direct threat to hemispheric stability. The President's Andean Regional Initiative will strengthen democracy, regional stability and economic development in the region.

The President's initiative will work to promote democracy and democratic institutions by providing support for judicial reform, anti-corruption measures and the peace process in Colombia.

This program will also work to foster sustainable economic development and increased trade through alternative economic development, protection of the environment and renewal of the ATPA, the Andean Trade Preference Act. The initiative will work to reduce the supply of the illegal drugs at the source, while simultaneously reducing U.S. demand through eradication and interdiction efforts.

There are two distinctive features of this program compared to last year's Plan Colombia assistance, both of whom aim to promote peace and to stem the flow of cocaine and heroine from the Andean region.

First, the assistance for economic and social programs is roughly equal to the assistance for counter-narcotics programs. Second, more than half of the assistance is directed at regional

countries that are experiencing the spill-over effects of the illicit drug and terrorist activities.

The United States shares close cultural and economic ties with Latin America. We have a unique opportunity to help strengthen our hemisphere as a whole, and the President's Andean Regional Initiative is an important step in the right direction.

HIV/AIDS has become an international crisis of tremendous devastation. In Africa, an estimated 17 million people have already lost their lives to AIDS, including 2.4 million who died just this last year. The Committee on Appropriations has made international HIV/AIDS relief a priority for this Congress by allocating $434 million within the Child Survival and Health Programs Fund for HIV/AIDS research and treatment and an additional $40 million in other accounts.

This bill fully funds President Bush's request of $100 million for a global HIV/AIDS trust fund, and the level of $414 million available for bilateral HIV/AIDS assistance exceeds the authorization level of $300 million by $114 million.

In addition to the $434 million appropriated in this bill, it is my understanding that the Committee on Appropriations has also included $100 million for HIV/AIDS assistance in the supplemental appropriations bill which, Mr. Speaker, we expect back from the conference shortly. As a matter of fact, the Committee on Rules will be meeting on it this evening.

That is a total of $534 million for HIV/AIDS relief. I think it is a recognition of the degree of tragedy that the pandemic represents for mankind. I commend the Committee on Appropriations for their actions in that field.

Mr. Speaker, this is a good bill. It balances national security needs with humanitarian aid. This is, as I stated before, an open and fair rule. I would urge my colleagues to support both the rule and the underlying legislation which is very important to the national security interests of the United States.

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

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

Mr. Speaker, I want to thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me time.

This is a modified open rule. It will allow for the consideration of the Foreign Operations Appropriations Act for Fiscal Year 2002.

As my colleague has described, this rule provides for one hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. It allows germane amendments under the 5-minute rule. This is the normal amending process in the House. However, the rule permits only amendments printed in the CONGRESSIONAL RECORD.

Mr. Speaker, foreign assistance is important to all Americans. As the last superpower of the world, the United States is the only Nation with the ability to provide significant humanitarian assistance throughout this world. This helps maintain our Nation's moral authority and our negotiations on diplomatic issues. This has a direct effect on the success of our economic and military position which in turn benefits all Americans.

But aside from self-interest, providing humanitarian assistance is the right thing to do. Just as we are obligated to help our fellow Americans who are less fortunate than we are, we also have an obligation to help peoples of other nations.

Foreign aid does work. Many of my colleagues have seen this, and I have seen this firsthand in different countries. Earlier this month I returned from East Timor, which is a former Portuguese territory which faces numerous challenges in setting up basic institutions that we take for granted. I saw a number of projects that are funded through this bill. I saw coffee growing in a cooperative that employs 100,000 people. I also saw a U.S.-supported printing press which is helping to establish a free press in East Timor. These are directly funded through this bill.

I also saw a mobile clinic where immunizations and maternity care is given to village women and children, and this was funded by UNICEF which receives funding through this bill.

The scenes that I saw in East Timor are repeated throughout the world where U.S. foreign assistance saves lives and strengthens nations.

The Committee on Appropriations crafted a good bill which increases overall funding for foreign aid. I am especially pleased that the bill provides generous support for the Child Survival and Disease Programs Fund which is intended to reduce infant mortality and improve the health of the poorest of the world's children. The bill is a bipartisan product which included consultation with the minority; and I commend the gentleman from Arizona (Mr. KOLBE), the subcommittee chairman, and the gentlewoman from New York (Mrs. LOWEY) for their work.

However, I regret that the committee could not increase foreign aid more than it did, especially considering the cuts that have occurred over the past 15 years. The overall levels are still too low. In fact, the funding for foreign aid in this bill is still only about half the level of 1985.

Mr. Speaker, I am also concerned about the rule that we are now considering. This rule includes two self-executing amendments; that is, the rule automatically accepts two amendments to the bill. The power of the Committee on Rules to include self-executing amendments should be used sparingly, and it is highly unusual to self-execute two amendments. I do not believe that there is sufficient justification in either case.

One of the self-executing amendments adopted by the Committee on Rules involves an earmark for environmental programs. It is not certain from which account this money would be taken. However, it appears that the money could come from funds intended to provide debt relief for poor nations. If that is the case, then this amendment is ill-advised. The money for debt relief is needed to reduce the crushing debt that is destroying the economies of some needy countries.

However, because this amendment is automatic under the rule, the House will not have the opportunity to fully debate this amendment and establish for the record its ultimate effect.

Furthermore, the rule requires preprinting amendments in the CONGRESSIONAL RECORD.

Mr. Speaker, despite my misgivings on the rule, I will not oppose it. I urge the adoption of the rule and of the bill.

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

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma (Mr. WATTS), the distinguished chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, I speak today to congratulate the gentleman from Arizona (Mr. KOLBE) on his leadership in crafting a bill that ensures that we are the strongest Nation in the world and not forget our duty to the rest of the world. Specifically, I congratulate him for his support of democracy and economic development in West Africa and in, particularly, the country of Nigeria. Nigeria is the most populous nation in West Africa with 120 million people; and, as such, it is the key to peace and prosperity in that region.

After suffering through years of oppressive military rule, Nigeria is on the road to democracy. Today, the fledgling democracy, led by President Obasanjo, stands ready to lead Nigeria into a new era of prosperity. We should assist the people of Nigeria in their quest for democracy.

As part of our support for democracy in Nigeria, we should support the work being done by our government through the Education for Development and Democracy Initiative. The Initiative was founded for the purpose of improving the quality and access to education, enhancing the availability of technology to lesser developed countries, and increasing citizen participation in government. These are all principles that support democracy and, therefore, deserve our support. I thank the gentleman for support of this initiative.

However, there is one issue that troubles me because it hinders the growth of democracy in Nigeria and attacks the fiber of American society. The issue I speak of is the trafficking of drugs being masterminded by criminals operating in Nigeria and West Africa. Despite the committed efforts by President Obasanjo and his administration, these criminals still engage in the

wholesale movement of drugs into the United States. Not only do these people bring deadly drugs onto the streets of America, they also destroy the reputation of Nigeria and Nigerians worldwide. This stain on Nigeria's reputation hinders the economic expansion and democratic reforms that President Obasanjo is working to institute.

We must strengthen our partnership with Nigeria in fighting the drug-trafficking kingpins operating out of West Africa. It is a large task, and the dedicated agents acting as part of the Africa Regional Anticrime Program deserve our support.

The gentleman from Arizona (Mr. KOLBE) has made that support possible with this bill. I commend the gentleman from Arizona (Mr. KOLBE) for his leadership and thank him for his support of these programs which I feel are crucial to supporting the ideals of democracy in Nigeria and in West Africa.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. LOWEY), who is the ranking minority member on the Subcommittee on Foreign Operations, Export Financing, and Related Agencies.

Mrs. LOWEY. Mr. Speaker, I rise in strong support of this rule, but I would like to express my concern about one aspect of it. I am specifically concerned about the self-enactment of two amendments. Both of these amendments are legislative in nature. There were several other requests for legislative amendments which were turned down by the Committee on Rules. I do not understand the rationale used to single out these two.

The first of these, an Olver-Gilchrest amendment to strike the language prohibiting funds for Kyoto implementation, has been accepted on the other bills and would have been accepted on this bill. A self-enacting rule only serves to foreclose debate on the issue.

The second self-enacting amendment inserts the requirement that $25 million be made available for debt-for-nature swaps from within existing funds provided for debt relief. My concern is not with the program itself, which I strongly favor. My concern is that the bill had contained permissive language providing up to $25 million for the program.

□ 1930

Passage of the rule will mandate that $25 million be donated to Debt for Nature swaps from amounts provided for debt relief either in this bill or from previously appropriated funds. The Treasury Department has sufficient funds on hand now to pay the anticipated bilateral costs for debt relief through the end of fiscal year 2002. Six countries were anticipated to become eligible for debt relief in 2002. However, it now appears that two additional countries (Ghana and Angola) may become eligible in the coming year.

If only six countries become eligible in 2002, Treasury estimates that $22 million will remain in the bilateral account. If more than six countries become eligible, a significant portion of the $22 million on hand would be required to pay those costs.

The bottom line is that passage of the rule could jeopardize Treasury's ability to pay the costs of both bilateral and multilateral debt relief.

These concerns were not an issue when we put the bill together, because the authority for the Debt for Nature program was permissive. We were not consulted on the inclusion of this amendment, and I insist that we not leave Treasury short of necessary funding for debt relief next year. I would indicate to the chairman and to the House at this point that I intend to work with the chairman to correct this problem in conference.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. KIRK), a new Member of this House who already has established a reputation as an expert in the area of foreign policy and international relations.

Mr. KIRK. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this rule and this bill; and I would like to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) on the successful completion of this their first measure.

Before being elected to Congress, I spent a great deal of my career working on various aspects of the United States foreign assistance programs. I have seen firsthand the positive effects these programs can have on building democracy, providing critical humanitarian aid, and making the world a safer place for us all. I commend almost all aspects of this bill but especially for continued vital assistance programs around the world to fight HIV/AIDS and also for international family planning. The data is now in that international family planning is one of the best ways to reduce the incidence of abortion. We have seen clearly in Kazakhstan that if you support women's rights, if you support maternal and child health and you want to reduce the incidence of abortion, you support international family planning. I also want to commend the committee for its action on Tibetan refugee assistance and support to our allies in the Caucasus, particularly Armenia.

I am especially pleased with this bill's strong support of Israel and stability in the Middle East. This bill provides strong funding for Israel under the Economic Support Fund as well as for Egypt, a critical ally in this region. I want to particularly commend the chairman's strong bill language regarding the continued escalation of violence and the PLO's lack of 100 percent effort to achieve 100 percent compliance with the Oslo Accords. I urge my colleagues to support this measure and to support Israel.

Mr. Speaker, I am totally committed to America's role in the world. As a new member of the Committee on the Budget, I took up the sometimes lonely fight for the International Affairs budget function 150. It is that battle that we must continue in years to come. It has always been my belief that it is less expensive in American blood and treasure to support our allies than to try to accomplish something unilaterally with military forces overseas. This bill is a good investment. It represents the best that America has to offer in the world. I urge its adoption along with the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I come to the floor today to voice my support for both the Foreign Operations appropriations bill and the rule, and I want to thank the chairman and the ranking member for their efforts. I am pleased that this legislation addresses two areas of the world very important to me, Armenia and India. However, in both cases I am hopeful that more money can be found for both countries in conference.

Earlier this year in testimony before the Subcommittee on Foreign Operations, Export Financing and Related Programs, I requested the subcommittee provide no less than $90 million in U.S. aid to Armenia. This was the amount that Armenia received in last year's bill. I was encouraged by the $82.5 million that was approved by the subcommittee because it was substantially higher than the $70 million President Bush requested in his budget earlier this year. However, I know that Armenia needs at least as much as it received last year.

I am also pleased that no changes were made to section 907 of the Freedom Support Act. I have been concerned that negotiators involved in the Nagorno-Karabagh peace process would attempt to use section 907 as a bargaining tool prior to a peace agreement.

I am also happy, Mr. Speaker, that the subcommittee included language encouraging the State Department send more of the money Congress has appropriated in the past for aid to Nagorno-Karabagh. In the past, I have been concerned that out of the $20 million allocated to the people of Nagorno-Karabagh, only $11.8 million has been sent to the region for aid programs. It is important that these remaining funds be appropriately sent to the region to ensure that the residents of Nagorno-Karabagh receive the assistance.

Appropriators should also be commended for expressing the need to provide a peace dividend in the event a settlement is reached between the Caucasus nations over Nagorno-Karabagh.

The bill also includes language directing assistance for confidence-building measures and other activities to further peace in the Caucasus region, especially those in the areas of

Abkhazia and Nagorno-Karabagh. These measures include strengthening compliance with the cease-fire, studying post-conflict regional development such as water management and infrastructure, establishing a youth exchange program and other humanitarian initiatives.

Finally, Mr. Speaker, in regards to India, a massive and devastating earthquake hit the Gujurat region in January. I am grateful for the more than $13 million that has already been sent to assist the region, but clearly $13 million is not enough to address the continued struggles India, particularly Gujurat, is facing during this earthquake's aftermath. We must continue to provide as much support as possible.

An amendment may be brought up to provide more direct assistance for earthquake relief. Another may be proposed that would add $10 million to the Office of Foreign Disaster Assistance at USAID. There is also the possibility of providing more assistance in conference. I would ask that my colleagues support these efforts. But in any case, Mr. Speaker, this is a good bill and I would urge its adoption.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Speaker, I first want to thank our new chairman, the gentleman from Arizona (Mr. KOLBE), for his tenacity and his bipartisanship as we put together a very good bill. I thank the gentleman from Arizona very much for his leadership and to our ranking member, the gentlewoman from New York (Mrs. LOWEY), for her hard work as we worked together to craft a bill that is a good one and is also bipartisan.

In the development assistance account, this bill does address the problems; and the rule that we have before us today helps to implement the bill that comes forward. In the child disease account and health account, we find that we have $1.4 billion there to begin to help with some of the diseases in the world. I wish there could have been more money for the diseases, and I am hopeful that we will work to find more money as we move into this process. Airborne diseases such as tuberculosis and others need more attention; and I would hope that as we move forward, we will be able to address more dollars into those accounts.

The Andean Counterdrug Initiative. Last year, this initiative was called Plan Colombia. We put in $1.3 billion for Plan Colombia. Today, less than 25 percent of that has been spent. We hope that because 90 percent of the cocaine and heroin that comes into our country comes from Colombia that we would begin to spend this money for interdiction of these drugs and to begin to meet the drug crisis here in America. Unfortunately, it has not begun. I would hope that our committee would call a hearing and that we would hear how that $1.3 billion is going to be spent. This bill gives an additional $600 plus million for that same counter initiative of drug control. I am hopeful again that we are able to spend this money for the interdiction of drugs which is a cancer in America.

Drug treatment is a must. We must put more money into drug treatment. I do not think yet our country has gotten that. Yes, you must cut off the supply through interdiction, but you also must put money in treatment, treatment on demand. I know we will see a few amendments here that speak to some of that. We have not yet addressed that in this entire budget and certainly not in this Foreign Operations budget. But overall it is a good budget, and it is a good bill.

I do have some concerns about those things that I have mentioned. I will work with the chairman and our ranking member as we go forward to increase funding for HIV/AIDS and increase funding for the attack on the cancer, drugs, in our community.

Mr. Speaker, I rise today to support the rule/bill and thank the distinguished Chairman of the Subcommittee Mr. KOLBE who has worked extremely hard to try and craft a bipartisan bill in spite of extremely limited resources and wide and varying demands by both sides. I would also like to acknowledge the work of the Ranking Member Mrs. LOWEY, who has worked hard and successfully ensured that she was prepared and engaged on the many issues facing her in her new leadership role on this side of the isle.

DEVELOPMENT AID

This bill is a decent bill that attempts to address the increasing demands on foreign assistance. I am pleased that this measure provides $2.5 Billion in Development Aid which includes $120 million for UNICEF. I am pleased that the amount that we have funded is nearly $200 million more than the President requested for Development Aid (both Development Assistance and Children Survival and Disease Programs.)

DEVELOPMENT ASSISTANCE ACCOUNT

Although the bill provides less than the President's request in the Development Assistance account, it does provide $1.1 Billion—$76 million more than the current level of funding. In the Development Assistance account I have fought to ensure funding for programs like Education for Development and Democracy Initiative (EDDI) which is an African-led development program—with special emphasis on girls and women—concentrating on improving the quality of education and access to it.

CHILD SURVIVAL AND DISEASE PROGRAMS

We have funded the Child Survival and Disease Fund at $1.4 Billion. This amount is $169 million more than the current level and nearly $400 million more than the President's request. Here, I have fought hard to fund programs like Hopeworldwide's Siyawela (which means ''We are Crossing Over'' in Swahili) program in South Africa which through support groups provides children affected by AIDS, infected by AIDS and orphaned by AIDS with counseling, medical care, psychosocial support, basic education, nutritional support and recreational activities.

Do not be mistaken—I have criticisms of the Foreign Assistance measure as well. First there is the issues of HIV/AIDS. It is clear that this measure does not go far enough to address this global pandemic that is devastating large portions of the world's population. Today between 34 and 40 million people are HIV positive, with over 18,000 new infections daily. More than 95% of these infections occur in developing countries. At this rate, by the end of the present decade, nearly as many will have died from AIDS as soldiers were killed in all the wars of the 20th century. It is predicted that nearly 100 million people will be infected with the disease by 2005. In the face of this pandemic our measure provides $474 million for AIDS prevention and Control which is $159 million more than currently provided and $45 million more than the President's request. While I commend the Committee for providing additional funding it is not nearly enough to address this global scourge. Estimates of the amounts needed to address this issue range in excess of $7 to $10 Billion dollars. Surely the richest country in the world could provide further funding and set an example for the rest of the world to follow.

ANDEAN COUNTER DRUG INITIATIVE

In my humble opinion, the money we provide for military assistance to many countries could go a long way to addressing the problems of HIV/AIDS. This bill provides $676 million for Andean Counterdrug Initiative, the newest incantation of the former Plan Colombia. This amount is provided on top of the $1.3 billion we provided in last years bill. At best, this funding represents a botched attempt to interdict drugs in a way that has been highly immeasurable and adversely affects the people of the Andrean region.

In Colombia where this initiative began, there are widespread outcry's for an end to the military assistance. There are reports of human rights abuses by all warring factions. The Colombian military and the paramilitary are accused of colluding to the detriment of the Colombian people. The rebel groups are also criticized for kidnapping and conscripting the children of this region. I don't think we know who is doing what in Colombia, but we do know that the flow of drugs across our borders has not been significantly reduced. We know that all parties involved potentially profit from our war on drugs.

FUMIGATION

Then there is the insistence by our country on a policy of Aerial eradication also known as fumigation. Aerial eradication of coca without sufficient alternatives simply moves the problem from one place to the next. Efforts in Bolivia and Peru shifted the focus of production to Colombia. According to the UN Drug Control Programme's 2000 report, coca cultivation in Peru declined 82,201 hectares between 1990–2000 and increased by 82,500 hectares in Colombia in the same period. Eradication without alternative development moved production from Colombia's Guaviare province to Putumayo province; now it is moving to Narino province and Ecuador. Since massive fumigation efforts were launched in December, there has been no change in the US price of cocaine (according to DEA 5/23/01). What is perhaps the most troubling is that there are complaints of illness and environmental degradation resulting from the fumigation policy our country is promoting. As long as US users crave drugs, greedy drug lords will find new

territory to produce their product. As long as there is crushing poverty in the region, there will be a supply of poor farmers to grow coca and poppy. Sending guns to Colombia cannot solve the problems of hunger in Latin America and addiction in the US.

The roots of Andean problems are social and economic as are the roots of many of the problems in this country and the rest of the world. This bill is a good bill, but by far it is not the best. It could go a lot further in addressing the social and economic concerns that fuel many of the world's problems.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, again supporting the rule, urging our colleagues to support it as well as the underlying legislation which is so important, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2506, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Arizona?

There was no objection.

LIMITING AMENDMENTS DURING CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 2506 in the Committee of the Whole pursuant to House Resolution 199—.

(1) no amendment to the bill may be offered on the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; and amendments printed in the CONGRESSIONAL RECORD and numbered 4, 8, 17, 21, 22, 25, 28, 29, 30, 32, 35 and 37;

(2) each such amendment may be offered after the Clerk reads through page 1, line 6, and may amend portions of the bill not yet read (except that amendment numbered 25 must conform to the requirements of clause 2(f) of rule XXI);

(3) no further amendment to the bill may be offered after the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; and amendments printed in the portion of the CONGRESSIONAL RECORD of the legislative day of July 19, 2001, or any RECORD before that date, designated for the purpose specified in clause 8 of rule XVIII and not earlier disposed of.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

The SPEAKER pro tempore. Pursuant to House Resolution 199 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2506.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. KOLBE).

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Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to present to the Members H.R. 2506, the fiscal year 2002 appropriations bill for Foreign Operations, Export Financing, and Related Programs. The privilege of managing this bill, one that provides the wherewithal for an effective and humane foreign policy, means a great deal to me personally. I especially appreciate the trust that the Speaker and the gentleman from Florida (Chairman YOUNG) have placed in me, and I thank my subcommittee colleagues in particular for their advice and support.

When I became chairman of the Subcommittee on Foreign Operations, I set out three priorities for myself: first, reversing the spread of infectious diseases such as HIV-AIDS, tuberculosis and malaria; second, encouraging economic growth through open trade and transparent laws; and, third, improving the accountability of the agencies funded through this bill. Making progress on the first two priorities, to at least some degree, is contingent on effective management of the Agency for International Development.

Our recommended bill is the product of bipartisan compromise. It funds the President's priorities, though there are a few critical differences. Above all, the bill promotes interests abroad, while improving the prospects for a better life for millions of poor people from Latin America to Asia.

H.R. 2506 appropriates $15.2 billion in new discretionary budget authority, approximately $1 million less than the President's request, but $304 million more than last year. A major reason for the increase over last year is that $676 million is in the bill in new funding for the Andean Counterdrug Initiative. Members will remember that the initial Plan Colombia adopted by Congress last year was funded by a supplemental appropriation bill, which put the spending outside the boundaries of the subcommittee's fiscal year 2001 allocation. Now, unlike the original Plan Colombia, approximately half of the Andean Initiative funds long-term economic development and good governance projects.

The committee recommendation fully funds the military and economic aid request for Israel, for Egypt, and for Jordan. Overall, $5.14 billion is provided for the Middle East, and I will return to that region momentarily.

For export and investment assistance programs, the committee is recommending $604 million, which is $137 million below the 2001 level, but $118 million above the administration request. The committee accepts a portion of the proposed cut from the current appropriations for the Export-Import Bank, but provides sufficient funds to maintain current program levels.

For international HIV-AIDS programs, the committee is recommending a total of $474 million. That compares with $315 million in fiscal year 2001. The committee fully funds the President's request of $100 million for an international health trust fund, 80 percent of which would be allocated for AIDS. The supplemental appropriation bill which we will consider tomorrow also includes an additional $100 million from current year funds for the international trust fund.

In addition, no less than $414 million is available for bilateral HIV and AIDS programs. This amount exceeds the President's request by $45 million and the level authorized in law by $114 million. Some of the increase is for new programs in vulnerable countries such as Burma, where little donor assistance is available to restrict the spread of AIDS.

I am aware that Members will offer amendments to increase funding even further for HIV/AIDS and tuberculosis. Both of these are worthy causes. But I would advise them that the committee has been increasing HIV funding above the request for many years under the gentle prodding from the gentlewoman from California (Ms. PELOSI), the former ranking member of the subcommittee.

Yet our Members are aware that we also need to balance the current enthusiasms with longer-term economic

growth and governance programs, because, Mr. Chairman, I would point out that economic growth is the only prescription that enables countries to revive health systems and to generate employment, which can improve the standards of living for their people.

In reaching our bipartisan recommendation, the committee also recognized the continuing importance of basic education, reproductive health, security assistance, export financing. We ask that the Members of the House keep these multiple objectives in mind today and in the next few days as we proceed with this bill.

Overall, for assistance programs managed solely by the Agency for International Development, the committee recommends a total of $3.63 billion, of which $1.93 billion is for child survival and health programs. This is $126 million over the 2001 level and $177 million over the administration request.

These totals include $120 million for a grant to UNICEF. It does not include funding for the proposed Global Development Alliance, but we look forward to considering the proposal further as its shape becomes more definitive.

For international financial institutions, the recommendation is $1.17 billion. That is $23 million over the 2001 level, but $40 million below the request.

The bill also completes funding for the Heavily Indebted Poor Country Initiative with a final $224 million, and provides an additional $25 million from prior year balances for Tropical Forest Debt Relief.

On Tuesday, President Bush called on the World Bank to dramatically increase the share of its funding for health and education in the poorest countries on this globe, but to do so using their grant authority rather than loans. Over the last few years, this committee has urged different administrations to adopt this policy, so I am pleased that it has been embraced by President Bush.

I know many Members have a special interest in the Middle East, so I will describe the committee recommendation for that region in a bit more detail.

The bill before the House continues the policy that was begun 3 years ago that reduces Israeli and Egyptian economic assistance over a 10-year period. Israel's economic support is reduced by $120 million, but military assistance is increased by $60 million. Israel's funding through the Economic Support Fund is $720 million, which will be made available within 30 days of enactment or by October 31, 2001, whichever date is later. Military assistance totals $2.04 billion, and that is also made available on an expedited basis.

We have also included a couple of new initiatives this year dealing with the Middle East. Language in the bill specifies that the PLO and the Palestinian Authority must abide by the cease-fire recently brokered by CIA Director George Tenet. If they are not in substantial compliance, the Secretary of State must impose at least one of three sanctions: closure of the Palestinian information office in Washington; second, the designation of the PLO or one or more of its constituent groups as a terrorist organization; or, third, cutting off all but humanitarian aid to the West bank and Gaza.

The President is allowed to waive these restrictions if he determines it is in the national security interests of the United States. Many of my colleagues would like to go further in sanctioning the Palestinians, and others felt that any language might upset the status of negotiations in the Middle East. But I believe this provision strikes a middle ground and sends the right message to the Palestinians and their leaders, and that is comply with your commitments regarding renunciation of terror and violence, and then no sanctions will be imposed. We are not going back to the beginning of the current violence, but we are saying you must adhere to your commitments that are now made under the Tenet cease-fire as we go forward.

We are also sending a message in our bill to the International Committee on the Red Cross. This otherwise noble institution has failed to admit the Magen David Adom Society of Israel to the International Red Cross and Red Crescent Movement. It is pretty clear that the society's use of the Star of David has triggered the usual opposition from the usual suspects.

The American Red Cross has courageously fought to get the society admitted to the Red Cross movement. They have withheld their dues to the Geneva headquarters of the International Red Cross for the past 2 years. I am proposing that the United States Government do the same until the society is able to fully participate in the activities of the International Red Cross. If the IRC can include national societies from terrorist states like Iraq and North Korea in its movement, then surely Israel is entitled to membership.

Within the Economic Support Fund, the President's request would increase funding for Latin America by $50 million, from $120 million to $170 million. There is additional support in the Child Survival and Health Fund for efforts to restrict the spread of AIDS in the Caribbean region. The bill also includes an additional $100 million to assist El Salvador in its recovery from two devastating earthquakes earlier this year.

I am pleased that the President's request follows through on his pledge to focus additional resources in the Western Hemisphere. This is one reason I strongly oppose amendments that would cut funding from the Economic Support Fund. We cannot afford to cut funding for Latin America or other sensitive regions such as Lebanon.

For the International Fund for Ireland, we are recommending $25 million, the same as last year, but $5 million above the President's request. This program is designed to support the peace process in Northern Ireland and the border counties of the Republic of Ireland.

Our funding for economic assistance to Central and Eastern Europe totals $600 million, and that corresponds to the amount appropriated last year, excluding emergency funding. Funding for Bosnia would decline from $80 million to $65 million. Funding for Kosovo is reduced from $150 million to $120 million.

Our bill anticipates a continuation of the $5 million allocation for the Baltic states to continue our very modest but important assistance programs in those countries. We also strongly support, I might add, funding through the Foreign Military Financing Program for those same Baltic states. The President requested $21 million for these three countries, and the committee has endorsed this request. Again, I strongly oppose amendments that would cut funding for our new democratic friends in the Baltic states, Poland and Hungary.

For the states in the former Soviet Union, funding would decline only slightly, from $810 million to $767 million. The committee continues its support to find a peaceful settlement in the Southern Caucasus region, by providing $82.5 million for both Armenia and for Georgia. For Armenia this recommendation is $12.5 million above the President's request. While the committee does not set aside a specific amount for Azerbaijan, the bill would retain exemptions in current law from a statutory restriction on assistance to its government.

The committee supports the struggle for a better life by the people of the Ukraine. Under this bill, Ukraine will continue to receive $125 million, one of our largest aid programs anywhere. Depending on subsequent events in the Ukraine, the committee is willing to consider additional funding for Ukraine at later stages in the appropriations process.

Assistance for South and Southeast Asia is a relatively small part of our bill, but its importance is far more substantial. Ongoing economic growth and health programs in India, the Philippines, Bangladesh, and Indonesia provide the framework for subsequent investment by the private sector and multilateral development banks. As we did last year, AID is encouraged to use the Economic Support Fund to renew a basic education program in Pakistan. It is a modest but important start toward renewing our economic assistance program in this country.

We also provide funding for several smaller programs that do not get enough attention, including $38 million for anti-terrorism assistance and $40 million for humanitarian demining programs around the world. Both of these programs help save lives. The Peace Corps is another example, another program that has made an enormous difference in this globe that we all share. We recognize its value and

importance, and we support the full request of funding of $275 million.

Mr. Chairman, before I conclude, I want to pay special tribute to my ranking member, the gentlewoman from New York (Mrs. LOWEY), for her cooperation in bringing this bill to the floor and developing the recommendations that we have. I cannot say it strongly enough that she has been a true delight to work with. We have, I think, a very positive relationship; and I think both of us feel that way. But I do not want my expressions of personal regard in this for the gentlewoman from New York (Mrs. LOWEY) to somehow leave the impression among her colleagues on her side of the aisle that she is not doing everything humanely possible to make sure we reduce roles in the 108th Congress. Nonetheless, I hope that is not the case.

Mr. Chairman, I would not want to end my comments without also paying special tribute to the staff members who have helped to make this possible. Our subcommittee staff is led by the able Mr. Charlie Flickner, whose number of years here has given him a special insight into this legislation. He is joined by our professional assistants, John Shank and Alice Grant, and our subcommittee clerk, Laurie Mays. My own personal staff person, Sean Mulvaney, who has worked hard on this bill, has helped to make it possible that we are here tonight.

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On the other side, of course, we have Mark Murray and the gentlewoman's from New York (Ms. LOWEY) personal staff person, Beth Tritter, who I think have contributed tremendously to this legislation; and I thank them personally for their contributions to this legislation.

Mr. Chairman, I am proud of this bill. By the time I think the Committee of the Whole completes its consideration, I am optimistic that an overwhelming majority of the House will endorse the committee's recommendations.

Mr. Chairman, I include the following tables for the RECORD.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Subsidy appropriation	865,000	633,323	753,323	-111,677	+120,000
(Direct loan authorization)	(865,000)	(152,000)	(950,000)	(+85,000)	(+798,000)
(Guaranteed loan authorization)	(13,535,000)	(11,335,000)	(12,700,000)	(-835,000)	(+1,365,000)
Administrative expenses	62,000	65,000	63,000	+1,000	-2,000
Negative subsidy	-15,000	-11,000	-11,000	+4,000	.....
Total, Export-Import Bank of the United States	912,000	687,323	805,323	-106,677	+118,000
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	38,000	38,608	38,608	+608	.....
Insurance fees and other offsetting collections	-283,000	-290,000	-290,000	-7,000	.....
Subsidy appropriation	24,000	.....	.....	-24,000	.....
(Direct loan authorization)	(127,000)	(45,000)	(45,000)	(-82,000)	.....
(Guaranteed loan authorization)	(1,000,000)	(1,152,000)	(1,152,000)	(+152,000)	.....
Total, Overseas Private Investment Corporation	-221,000	-251,392	-251,392	-30,392	.....
TRADE AND DEVELOPMENT AGENCY					
Trade and development agency	50,000	50,024	50,024	+24	.....
Total, title I, Export and investment assistance	741,000	485,955	603,955	-137,045	+118,000
(Loan authorizations)	(15,527,000)	(12,684,000)	(14,847,000)	(-680,000)	(+2,163,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Child survival and disease programs fund	963,000	991,000	1,387,000	+424,000	+396,000
Rescission of unobligated balances	.....	-20,000	.....	.....	+20,000
UNICEF	(110,000)	(110,000)	(120,000)	(+10,000)	(+10,000)
Subtotal, Child survival (net)	963,000	971,000	1,387,000	+424,000	+416,000
Development assistance	1,305,000	1,325,000	1,098,000	-207,000	-227,000
International disaster assistance	165,000	200,000	200,000	+35,000	.....
Supplemental funding	135,000	.....	.....	-135,000	.....
Transition Initiatives	50,000	50,000	40,000	-10,000	-10,000
(By transfer)	(5,000)	.....	.....	(-5,000)	.....
Micro & Small Enterprise Development program account:					
Subsidy appropriation	1,500	.....	.....	-1,500	.....
(Guaranteed loan authorization)	(30,000)	.....	.....	(-30,000)	.....
Administrative expenses	500	.....	.....	-500	.....
Development credit authority:					
Subsidy appropriation	1,500	.....	.....	-1,500	.....
(By transfer)	(5,000)	(25,000)	(12,500)	(+7,500)	(-12,500)
(Guaranteed loan authorization)	(49,700)	(355,000)	(177,500)	(+127,800)	(-177,500)
Administrative expenses	4,000	7,500	7,500	+3,500	.....
Subtotal, development assistance	2,625,500	2,553,500	2,732,500	+107,000	+179,000
Payment to the Foreign Service Retirement and Disability Fund	44,489	44,880	44,880	+391	.....
Operating expenses of the Agency for International Development	520,000	549,000	549,000	+29,000	.....
(By transfer)	(1,000)	.....	.....	(-1,000)	.....
Supplemental funding	13,000	.....	.....	-13,000	.....
Operating expenses of the Agency for International Development Office of Inspector General	27,000	32,000	30,000	+3,000	-2,000
Total, Agency for International Development (net)	3,229,989	3,179,380	3,356,380	+126,391	+177,000
Other Bilateral Economic Assistance					
Economic support fund	2,295,000	2,254,000	2,199,000	-96,000	-55,000
Rescission of unobligated balances	.....	-5,000	.....	.....	+5,000
Subtotal, Economic support fund (net)	2,295,000	2,249,000	2,199,000	-96,000	-50,000
International Fund for Ireland	25,000	.....	25,000	.....	+25,000
Assistance for Eastern Europe and the Baltic States	600,000	605,000	600,000	.....	-5,000
Supplemental funding	75,825	.....	.....	-75,825	.....
Assistance for the Independent States of the former Soviet Union	810,000	808,000	768,000	-42,000	-40,000
Total, Other Bilateral Economic Assistance (net)	3,805,825	3,662,000	3,592,000	-213,825	-70,000
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriation	.....	.....	12,000	+12,000	+12,000
(By transfer)	(12,000)	(12,108)	.....	(-12,000)	(-12,108)
African Development Foundation					
Appropriation	.....	.....	16,042	+16,042	+16,042
(By transfer)	(16,000)	(16,042)	.....	(-16,000)	(-16,042)
Peace Corps					
Appropriation	265,000	275,000	275,000	+10,000	.....

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Department of State					
International narcotics control and law enforcement	325,000	217,000	217,000	-108,000	
Andean Counterdrug Initiative		731,000	676,000	+676,000	-55,000
Migration and refugee assistance	700,000	715,000	715,000	+15,000	
United States Emergency Refugee and Migration Assistance Fund	15,000	15,000	15,000		
Nonproliferation, anti-terrorism, demining and related programs	311,600	332,000	311,000	-600	-21,000
Total, Department of State	1,351,600	2,010,000	1,934,000	+582,400	-76,000
Department of the Treasury					
International affairs technical assistance	6,000	6,000	6,000		
Global Fund to Fight HIV/AIDS, Malaria, & Tuberculosis		100,000			-100,000
Debt restructuring	238,000	224,000	224,000	-14,000	
Supplemental funding	210,000			-210,000	
United States community adjustment and investment program		500			-500
Subtotal, Department of the Treasury	454,000	330,500	230,000	-224,000	-100,500
Total, title II, Bilateral economic assistance (net)	9,106,414	9,456,880	9,415,422	+309,008	-41,458
Appropriations	(8,672,589)	(9,481,880)	(9,415,422)	(+742,833)	(-66,458)
Emergency appropriations	(433,825)			(-433,825)	
Rescission		(-25,000)			(+25,000)
(By transfer)	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Loan authorizations)	(79,700)	(355,000)	(177,500)	(+97,800)	(-177,500)
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	55,000	65,000	65,000	+10,000	
Supplemental funding	2,875			-2,875	
Foreign Military Financing Program:					
Grants	3,545,000	3,674,000	3,627,000	+82,000	-47,000
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	
Supplemental funding	31,000			-31,000	
Total, Foreign Military Financing	3,576,000	3,674,000	3,627,000	+51,000	-47,000
Peacekeeping operations	127,000	135,000	135,000	+8,000	
Total, title III, Military assistance (net)	3,760,875	3,874,000	3,827,000	+66,125	-47,000
Appropriations	(3,727,000)	(3,874,000)	(3,827,000)	(+100,000)	(-47,000)
Emergency appropriations	(33,875)			(-33,875)	
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development: Global Environment Facility	108,000	107,500	82,500	-25,500	-25,000
Contribution to the International Development Association	775,000	803,400	803,400	+28,400	
Contribution to Multilateral Investment Guarantee Agency	10,000	10,000	10,000		
(Limitation on callable capital subscriptions)	(50,000)	(50,000)	(50,000)		
Total, World Bank Group	893,000	920,900	895,900	+2,900	-25,000
Contribution to the Inter-American Development Bank:					
Paid-in capital					
Contribution to the Inter-American Investment Corporation	25,000	25,000	10,000	-15,000	-15,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund	10,000			-10,000	
Total, contribution to the Inter-American Development Bank	35,000	25,000	10,000	-25,000	-15,000
Contribution to the Asian Development Bank:					
Paid-in capital					
Contribution to the Asian Development Fund	72,000	103,017	103,017	+31,017	
Contribution to the African Development Bank:					
Paid-in capital	6,100	5,100	5,100	-1,000	
(Limitation on callable capital subscriptions)	(97,549)	(79,992)	(79,992)	(-17,557)	
Contribution to the African Development Fund	100,000	100,000	100,000		
Total	106,100	105,100	105,100	-1,000	
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	35,779	35,779	35,779		
(Limitation on callable capital subscriptions)	(123,238)	(123,238)	(123,238)		
Contribution to the International Fund for Agricultural Development	5,000	20,000	20,000	+15,000	
Total, International Financial Institutions	1,146,879	1,209,796	1,169,796	+22,917	-40,000
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
International Organizations and Programs					
Appropriation	186,000	186,000	196,000	+10,000	+10,000
Total, title IV, Multilateral economic assistance	1,332,879	1,395,796	1,365,796	+32,917	-30,000
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	.....
Grand total (net)	14,941,168	15,212,631	15,212,173	+271,005	-458
Appropriations	(14,473,468)	(15,237,631)	(15,212,173)	(+738,705)	(-25,458)
Rescissions	.....	(-25,000)	.....	.....	(+25,000)
Emergency appropriations	(467,700)	.....	.....	(-467,700)	.....
(By transfer)	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	.....
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	.....
(Loan authorizations)	(15,606,700)	(13,039,000)	(15,024,500)	(-582,200)	(+1,985,500)
CONGRESSIONAL BUDGET RECAP					
Mandatory	44,489	44,880	44,880	+391	.....
Discretionary	14,863,679	15,167,751	15,167,293	+303,614	-458
Grand total, mandatory and discretionary	14,908,168	15,212,631	15,212,173	+304,005	-458

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

Mrs. LOWEY. Mr. Chairman, I yield myself such time as I may consume, and I rise in strong support of the fiscal year 2002 Foreign Operations Appropriations Act.

I urge my colleagues to support this bill, which is the product of close cooperation between the majority and the minority. I have always said that the United States draws its strength as a global leader from the consistent bipartisanship of our foreign policy. The bill we have before us today represents the very best that bipartisanship and compromise can achieve, and I am very proud to support it.

The bill provides the entire amount requested by the President for Foreign Operations, which is nearly $2 billion above the level we had achieved at this point in the process last year. I have stood here during the debate over this measure in past years disappointed that we did not have the resources to adequately address our foreign policy priorities. Unfortunately, I still believe that this is true. We have done a good job of prioritizing resources within our $15.2 billion allocation, but we can do better, and I am hopeful we will eventually achieve a level closer to the Senate's $15.5 billion allocation for fiscal year 2002, and I hope that we will have more resources to disburse in future years.

I am pleased that the bill provides a total $474 million for HIV/AIDS. Of this amount, our bilateral HIV/AIDS funding totals $414 million, nearly $100 million above last year's level; and we fully fund the President's request for a $100 million down payment to a global HIV/AIDS trust fund. The other $100 million of this initial commitment was requested from the Labor-HHS bill, and I look forward to working on that subcommittee to make sure we provide these funds as well.

HIV/AIDS is an international crisis, as we know; and the United States has a responsibility to lead the way on everything from treatment to prevention, to caring for AIDS orphans, to crafting a coordinated global strategy. I am proud that this bill has significantly ramped up its support for these initiatives in recent years, and I hope that we can continue this trend.

The gentleman from Arizona (Mr. KOLBE) and I also worked together to achieve an overall level of $150 million for basic education. Development initiatives like education are the keystones to achieving stable, healthy societies around the world. Education is one of the most cost-effective of all of our foreign assistance investments; and the collateral effects of educating children, and especially girls, are profound. I am pleased that we could provide increases over the President's request for education and for other development assistance priorities.

The bill significantly increases the President's request for the Export-Import Bank, which I know is a top priority for our chairman and for many of our colleagues. We were able to increase United States funding for UNICEF by $10 million and the United Nations Development Program by $10 million. Both of these organizations do excellent work, complementing United States bilateral programs in the developing world and maximizing the impact of our foreign assistance dollars.

It is significant that the gentleman from Arizona (Mr. KOLBE) and I took our first trip together as chairman and ranking member to the Middle East, and I am pleased that we worked together to make some strong statements in this bill in support of the United States-Israel relationship and the quest for peace and stability in that region.

We fully fund Israel's aid package, reinforcing our commitment to maintaining strong ties between our two countries and ensuring that Israel, our closest ally in the region, will maintain its qualitative military edge. We continue assisting in the resettlement in Israel of refugees from the former Soviet Union and Ethiopia. We send an unequivocal signal to Chairman Arafat that we expect him to take concrete steps to end the violence and terrorism that has gripped the region, and we signal to the International Committee of the Red Cross that we expect the pattern of prejudice against Magen David Adom to end.

Mr. Speaker, despite our successes, I do not believe that this bill will adequately fund all of our foreign assistance priorities; and there are some key areas where it needs substantial improvement. The bill includes $425 million for bilateral international family planning assistance and $25 million for the UNFPA. I had hoped we could increase our contribution to the lifesaving work of the UNFPA and that we could return to the 1995 level of $541.6 million for bilateral family planning assistance. The need for these programs far outpaces the supply, and I believe we should be providing more resources to help women plan their pregnancies and give birth to healthy children.

I remain deeply disappointed that the President chose to reimpose the global gag rule restrictions on our bilateral family planning assistance and that this bill is silent on this important issue. As long as the global gag rule remains in place, we limit the impact of the assistance we provide in almost every part of this bill; and I can assure my colleagues that I will work hard during conference both to boost our family planning assistance and to repeal the global gag rule.

There is not enough money in this bill to address the scourge of infectious diseases such as TB and malaria, which cause complications and deaths among the HIV positive population; and I strongly believe that funding for HIV/AIDS and funding for other priorities must go hand in hand. Any realistic development strategy must take into account that there are a host of activities in which we must engage, and we must carefully balance our resources among various priorities, because progress in each area bolsters the others.

Our success in combating the HIV/AIDS crisis in Africa and around the world will depend upon our continued commitment to eradicating other infectious diseases, increasing support for maternal health, educating boys and girls, supporting micro credit and other financial services, giving women the tools to become leaders in promoting democracy. Fulfilling our potential to contribute to so many of these initiatives will take a far larger investment than we provide today.

I also remain disappointed that the bill before us does not adequately address the devastation that El Salvador has endured from two major earthquakes. We have invested billions of dollars in encouraging stability in that country, and I fear our past successes will be reversed if we do not act quickly and decisively. Given this body's past commitments to helping Latin America recover from horrible disasters, given the importance of that region to our country, our paltry commitment is troubling; and I sincerely hope we can address this issue in conference.

I also share the concern of many of my colleagues on both sides of the aisle about the Andean Regional Initiative, the successor program to Plan Colombia. When Congress supported $1.3 billion and mostly military assistance to Colombia and other countries in the region last year, we believed that our funds would be supplemented by a substantial investment of economic assistance on the part of our European friends. Well, not only did the European contribution not come to fruition, but our own economic assistance has moved extremely slowly.

We have begun a campaign of fumigation without giving farmers ample opportunity to voluntarily eradicate coca crops. We have realized no benefits from our programs in terms of increased stability and prosperity in Colombia, and I think we need to take a careful look at this program before we allow it to continue. Mr. Chairman, I look forward to having a thorough debate on this topic as this bill proceeds.

It is truly an honor and a privilege, Mr. Chairman, for me to serve as ranking member of this subcommittee; and I am resolute in my belief that our foreign assistance is both a moral imperative and a national security necessity. As a fortunate Nation, we cannot turn our backs on the terrible heartbreak and suffering in the world; and we must live up to our responsibility to help those who have been left behind. As a global leader, we must recognize that the United States will reap the benefits from the stability nurtured by our aid.

I must say, in conclusion, that it is a true honor for me to serve with the gentleman from Arizona (Mr. KOLBE),

the chairman of the subcommittee who, I believe, shares my commitment to a robust foreign assistance program. Since we both assumed our new positions in the 107th Congress, we have addressed the extraordinary challenges and opportunities of this bill together. I sincerely appreciate our close cooperation. I look forward to continuing to doing good work together. It is a real honor, I say to the gentleman, to serve with him and to work on these important issues.

I also want to thank the members of the subcommittee and the staff who have been so instrumental in putting this bill together. I particularly appreciate the hard work of Mark Murray, Charlie Flickner, John Shank, Alice Grant, Lori Maes, Sean Mulvaney, Beth Tritter, and all of the associate staffers for the majority and minority members.

In conclusion, it is truly a privilege for me to serve in this capacity, working with the gentleman from Arizona (Mr. KOLBE).

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

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for her kind remarks.

It is my great privilege to yield 5 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), a very able member of this subcommittee and a very knowledgeable member and one who takes the work very seriously.

Mr. KNOLLENBERG. Mr. Chairman, I want to thank the gentleman very kindly for those kind words; and I also want to rise in strong support of this appropriations bill. I want to suggest that my colleagues on both sides of the aisle rallied in support of this bill because this year, I think especially, we have an extraordinary bill.

I must commend the gentleman from Arizona (Mr. KOLBE) for his hard work and leadership as chairman of this subcommittee. He has consistently sought to accommodate all members, and I want to include myself in that group, because we all have different thoughts about how to prepare, how to put this bill together. But he has remained focused on bringing about a responsible and effective bill before us here today. Not an easy task, but one he has accomplished, I believe, with skill.

I want to additionally thank my good friend, the gentlewoman from New York (Mrs. LOWEY), our ranking member, for her leadership and her effort. As we have in years past, members from both sides of the aisle have once again worked together to make important progress on a number of foreign assistance issues. I thank the gentlewoman for her friendship and cooperation.

Obviously, the staff, the extraordinary staff needs a great deal of thanks here, too, because they have been performing great work for us, a contribution that frankly has resulted in a bill that would not have been without their efforts, so I thank them, all of them, for their efforts.

Foreign assistance remains an inseparable element of our Nation's overall foreign policy, including national security and economic interests. This is a responsible bill that effectively allocates the foreign assistance that we have available, while providing vital support for our Nation's interests.

This bill provides, as my colleagues probably already know, $753 million in export financing for the Export-Import Bank, which is $120 million greater than the President's request. With this funding, I hope the bank will be able to maintain at least the level of activity experienced this year.

The Export-Import Bank, sometimes looked upon as an unnecessary item, really has a critical role to play in support of American exports and the businesses and the workers who supply those products. Without support from Ex-Im, billions of dollars in American exports simply would not go forward. Ex-Im is especially important for small businesses. Small businesses benefit from over 80 percent of the bank's transactions. These exports remain crucial to our economy, and I will continue to support Ex-Im throughout the appropriations process. And I again want to thank the gentleman from Arizona (Mr. KOLBE), the chairman, for his leadership in this effort to get more money into this account.

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One of the most important elements of U.S. foreign policy in this legislation is the annual assistance package to the Middle East.

The United States has a vital role and has played a vital role in the Middle East for several decades. That role should and will continue. Congress has a responsibility to help shape our policy toward the Middle East through the financial assistance provided in this bill. Decisions regarding this funding must be carefully considered to ensure that a proper balance is maintained.

I am also pleased that this bill fully supports the administration's request for assistance to our ally, Israel, the only democracy in the Middle East.

I am also pleased that this bill continues funding for the excellent U.S. aid mission in Lebanon, as well as important programs in Egypt, Jordan, the West Bank, and Gaza.

Together, these programs play a key role in advancing U.S. interests in the Middle East, including fostering credibility and stability at this crucial time. These programs should be continued, and this bill appropriately maintains them.

The bill also strengthens our relationship to our friend and ally, Armenia. This year we have seen some progress in efforts to resolve the conflict among Armenia and Azerbaijan, Nagorno-Karabagh. During this time, Armenia has consistently shown its commitment toward a lasting peace, and has made notable progress with its economy and its effort to eliminate corruption.

The assistance we provide remains important to these efforts. Therefore, I am pleased that this bill increases assistance there by $12.5 million over the President's request. I should note, however, that this is still a little less than last year. I look forward to working with the chairman in conference to develop some additional assistance on that issue.

The legislation contains language directing the administration to release the remainder of the $20 million provided in 1998 for victims of the Nagorno-Karabagh conflict. There is great need in Nagorno-Karabagh, and USAID has an obligation to commit this money immediately.

Mr. Chairman, there are other important programs in this bill, including microenterprise loans, foreign military financing for the Baltic countries, the resettlement of refugees in Israel, and, of course, also significant funding beyond the President's request to continue the fight against HIV/AIDS and the crisis in Africa and around the world.

This is a good bill. I recommend that everyone get behind this bill and support it. Both sides I think will realize so much has been done with so little money.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 4 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. I thank the gentlewoman for yielding time to me.

Mr. Chairman, the gentleman from Arizona (Chairman KOLBE) and I have agreed to a colloquy on my amendment to transfer $60,000 from title III relating to the Foreign Military Financing Program account to title IV relating to International Organizations and Programs account.

Mr. Chairman, this $60,000 is intended to cover the cost of expenses relating to the development of a Guide to Best Practice by the Permanent Bureau of the Hague Conference on Private International Law to cover the application of the Hague Convention on the Civil Aspects of International Child Abduction.

Many of my colleagues have heard my drumbeat over the past years regarding problems with the Hague Convention on the Civil Aspects of International Child Abduction. We must encourage uniform application of exceptions identified in the Hague Convention.

This is jeopardizing the Hague Convention's effectiveness and perverting its original intent. A best practice guide might discuss training for legal professionals, encourage implementation of more effective civil enforcement systems, support for victim families, and improved access to noncustodial or left-behind parents.

The gentleman from Ohio (Mr. CHABOT) and I attended the Fourth Special Commission on the Hague Convention on Civil Aspects of International Child Abduction this past March. The special commission recommended that a best practice guide

be developed. The Hague Conference on Private International Law is seeking voluntary contributions from member states to assist in funding this best practice guide, which would cost approximately $60,000 for the United States's portion.

The completion of a best practice guide would be an inventory of existing central authority practices and procedures that is a practical know-how-to guide to help practitioners, judges, central authorities to implement the Hague Convention in a better way and as it was originally intended. It will draw upon materials published and otherwise provided by the central authorities themselves, in addition to the National Center for Missing and Exploited Children, the International Center for Missing and Exploited Children, and other nongovernmental organizations.

My request is driven by the need to bring about greater consistency, but more importantly, to provide a mechanism for bringing more American children home. Unless urgent and rapid action is taken, more and more children will be denied their most basic human right, that of having access to both their parents.

The challenge is now to find commitment at both the national and international levels to implement these actions. Abducting a child across border is never in a child's best interests. In the meantime, the Hague Convention must be applied uniformly, fairly, and above all, swiftly.

Only when countries accept that child abduction is not to be tolerated will it become a thing of the past. Family disputes and divorce will never go away. Parental child abduction, however, must be eradicated.

Mr. Chairman, I thank the gentleman from Arizona for all his good work. I appreciate his offer to work with me as the foreign operations bill moves forward and goes to conference with the Senate to do everything in his power to make sure that $60,000 is designated for the purpose of developing and disseminating a best practice guide.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. LAMPSON. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentleman from Texas for yielding to me.

I appreciate very much the comment he has made here this evening and his interest in this program and bringing this to our attention.

As the gentleman said, this is a very small amount of money in the grand scheme of things. It would accomplish the goal of creating more consistency across-the-board with regard to the Hague Convention on the Civil Aspects of International Child Abduction.

I would say to the gentleman that it is certainly my intention to work with him to accommodate his request as the foreign operations appropriations bill moves forward. As we go to conference, I do suspect that there may be more funds that are available to us that will be added to the International Organization and Programs Account, so we hope this would be possible to do that.

I thank the gentleman again for bringing this to our attention.

Mr. LAMPSON. Mr. Chairman, I will withdraw my amendment, and thank the chairman for his good work.

Mr. KOLBE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget.

Mr. NUSSLE. I thank the gentleman for yielding time to me, Mr. Chairman.

I rise in support of H.R. 2506, a bill providing the appropriations for foreign operations, export financing, and related programs. As chairman of the Committee on the Budget, I am pleased to report to my colleagues that this bill is within the appropriate levels of the budget resolution and complies with the Congressional Budget Act.

H.R. 2506 provides $15.2 billion in budget authority and $15.1 billion in outlays for fiscal year 2002. The bill does not provide any advanced appropriations or designate any emergency appropriations.

The amount of the new budget authority provided in this bill is within the 302(b) allocation of the subcommittee, and is also compliant with section 301(f) of the Budget Act, which prohibits consideration of measures that exceed the reporting subcommittee's 302(b) allocations.

In summary, this bill is consistent with the budget resolution that the Congress has agreed to earlier. On that basis, as well as for the content therein, it is worthy of our support.

I support the bill, and I congratulate the gentleman from Arizona (Chairman KOLBE) on his fine work, as well as the other subcommittee members, in bringing this bill to the floor.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

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

Mr. CROWLEY. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I want to commend the gentleman from Arizona (Chairman KOLBE) and the ranking member, my good friend, the gentlewoman from New York (Mrs. LOWEY), for crafting a fair and comprehensive bill that addresses the needs of many nations throughout our world.

As conflicts continue around the globe, from Northern Ireland to the Middle East, this bill has taken the appropriate steps to provide the tools for future prosperity and the potential for true reconciliation.

The Middle East package includes balanced funding for Israel and Egypt, as well as essential funding for Jordan and Lebanon.

Furthermore, the funding provided for the International Fund for Ireland in the amount of $25 million is a crucial element in facilitating an environment in Northern Ireland in which all sides can live together and prosper for a common good.

Though I strongly support the passage of this bill, I have many concerns regarding the Andean Initiative. In spite of the fact that this funding is a vast improvement over Plan Colombia, I believe it fails to address the need of countries such as Ecuador to effectively battle in combat the spillover effect from the drug war and conflict in Colombia.

Ecuador has been a true friend and ally, and deserves better treatment from us in this bill. It is my hope that these funding deficiencies will be addressed and rectified in conference.

Having said that, I want to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) for their diligent work on this bill, and I urge my colleagues to support its passage.

Mr. KOLBE. Mr. Chairman, I am very pleased to yield 3 minutes to the gentleman from North Carolina (Mr. BALLENGER), a very distinguished senior member of the Committee on International Relations, and probably the leading expert in the House of Representatives on Central America and on Latin America. His devotion to that region is tremendous.

Mr. BALLENGER. Mr. Chairman, first I would like to thank the gentleman from Arizona (Chairman KOLBE) for allowing me to speak on this bill.

Mr. Chairman, I rise today in support of the foreign operations bill, and especially the provisions that fund the U.S. support of the war on drugs in the Andes.

Over the years, I have traveled to the Andean region a number of times to see firsthand the efforts being made to stop drug trafficking. Although these efforts are nothing short of heroic, the war has yet to be won.

Last year I worked with the gentleman from Illinois (Speaker HASTERT) and many other colleagues to develop and pass Plan Colombia, an aid package which so far has done much to fight the production and trafficking of illegal drugs in the region's biggest producer, Colombia.

During my visits, I met with officials of the Columbian National Police and the U.S.-trained army counternarcotics battalions who are now stationed at the front of this drug war.

I am convinced that the tide is finally rising to our advantage. This is a credit to the bravery of the Colombians and the support of the United States. Changing course now, as some of my colleagues have proposed, would be a fatal mistake for Colombia, the Andean region, and the United States, and especially our children.

Mr. Chairman, let us face it, illegal drugs are killing our children. In every congressional district in America, hospital emergency rooms are treating

young children who overdose on illegal drugs. Some of these kids die.

Recent statistics show that 90 percent of the cocaine and 70 percent of the heroin seized in the U.S. originated in Colombia. So why are there amendments being offered to cut funding for the Andean Counterdrug Initiative and the drug crop eradication programs when it appears that the counternarcotics effort in the region is just starting to have some success?

I have long supported the U.S. efforts to support the brave work of the Columbian National Police and the newly-formed counternarcotics battalions of the Colombian Army to fight the drug trafficking. Plan Colombia is a sound policy which is only now beginning to be fully implemented. The counternarcotics initiative contained in this bill will ensure that work being done under Plan Colombia will continue.

With time, the appropriate equipment, and continued support from the United States, Colombia and its Andean neighbors will be able to strike a blow to drug trafficking in their own countries, and thereby greatly reduce the amount of illegal drugs ending up in our streets with our children.

I believe that fighting the drug trafficking is in the national interest of the United States. We must fully support Colombia and its neighbors for as long as it takes to win this drug war. Cutting funding for the Andean Counterdrug Initiative now is wrongheaded, dangerous, and could jeopardize the future of the democracy in the Andes, as well as the lives of American children.

Mr. Chairman, I urge my colleagues to vote in favor of this bill.

Mr. KOLBE. Mr. Chairman, I am happy to yield 3 minutes to the gentleman from Indiana (Mr. SOUDER), who has been an outstanding person working on drug interdiction issues and the task force on that.

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

Mr. SOUDER. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, I rise in strong support of this bill for a number of reasons. I would also like to initially say that I appreciate the strong support for Israel in its present crisis, surrounded by people desiring its destruction. It is very important in these times that we stand with our friends.

Also, I have talked with the chairman about the support for Macedonia, another friend of ours in the Balkans crisis, which has now been driven into internal conflict because they stood with us, and it is important as we watch this conflict, and I am sure in Macedonia, that as it develops, if additional funds are needed through this process, that they will be there.

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But tonight I would like to specifically speak to the appropriations on the Andean initiative. I think it is very important to put some perspective on the cost of the Andean initiative in the overall cost of our narcotics strategy.

International programs cost just 5 percent of the national drug control budget. Let me say that again, because I think it is critical to this debate and will be very much confused. International programs cost just 5 percent of our drug control budget. Demand reduction accounts for 33 percent of that budget, over six times the amount we spend on international programs, and domestic law enforcement 51 percent. Reducing the small amount of spending for international programs would clearly have a devastating effect on the flow of illegal drugs into the United States.

Our international programs have achieved significant success. In Bolivia, coca cultivation has decreased by more than 70 percent due to the commitment of President Banzer, who I wish well as he continues to fight cancer. His fight against the drug lords will forever honor his name. Also, Vice President Quiroga, and the numerous Bolivian soldiers who used American assistance to go into the jungle and uproot almost every coca plant in their country one by one, by hand. American-sponsored development programs are beginning to provide meaningful alternatives to the drug trade to everyday Bolivians.

When I visited there with the Speaker a number of times, we went into the coca fields with the people and looked at the alternative development. It has taken us 4 years. This is not easy. In Peru, coca cultivation decreased by more than 70 percent between 1995 and 2000.

I also ask my colleagues to consider the critical impact of the Andean Regional Initiative on the overall stability of our allies in Central and South America. As we all know, Colombia is at a precarious and crucial point in its democracy, which is one of the oldest in the Western Hemisphere. Without our help, there is a significant likelihood that it will become an outright narcostate effectively under the control of armed terrorists and narcolords.

Likewise, in Bolivia, Ecuador, Peru, Venezuela, and other vulnerable nations, we will provide assistance not only to bolster their fight against narcotics but also to help build democracies. But they have to get control of their narcotics to help build the democracy, the rule of law, and follow human rights. We will also promote alternative economic development programs and provide reasonable levels of assistance for economic development.

We must also acknowledge that the Andean initiative presents significant challenges, which will have to be closely monitored and followed every step of the way. It is nearly as fraught with possibility for failure as it is with hope for success, but we have no alternatives.

Mrs. LOWEY. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the bill and commend the chairman, the gentleman from Arizona (Mr. KOLBE), and my good friend and colleague, the gentlewoman from New York (Mrs. LOWEY), for her great leadership.

Mr. Chairman, this is a strong bill that recognizes and includes our national security and our national interests; that funds our allies in the Middle East, Israel, Egypt, Jordan, Lebanon; and it funds the important International Fund for Ireland, Cyprus and many other important allies. In addition, it funds the child survival account, USAID, UNFPA, and takes into account and funds the AIDS crisis.

But in this bill we are being asked to consider a substantial increase in aid for Peru. Peru has made substantial advances in recent years in democratizing its system and improving its economy. These improvements certainly deserve our support and assistance. But Peru has imprisoned an American citizen, Lori Berenson, a constituent of mine, under anti-terrorism laws that have been condemned by the international human rights organizations.

Lori served 5½ years in prison under extremely harsh conditions for a crime that Peru now agrees she did not commit. At her recent civilian trial, Lori was acquitted of the leadership or membership of a terrorist organization. For more than 5 years, Peru insisted that Lori was the leader in a terrorist movement. For that crime she was imprisoned in Peru's highest security prison for leaders of terrorist movements. Now they concede that she was not even a member. At all times Lori has maintained her innocence of the charges against her, and during her recent trial she publicly denounced all forms of terrorism and violence.

Lori's health has been damaged, and I will submit for the RECORD a complete record of all the health problems that she now suffers from.

From the beginning, Members of Congress have supported her. And recently over 142 Members joined me in a letter to the current president asking him to pardon Lori before he leaves office. In his recent meeting with President-elect Toledo, President Bush said that humanitarian factors should be taken into account in the final resolution of Lori's case. President Bush's conversation with President-elect Toledo sends a very important message to Peru: the United States will not forget Lori Berenson.

We should send Peru another message. It is troubling to me that we are giving so much nonhumanitarian aid to Peru when they have treated an American citizen so badly. If she is not released on humanitarian grounds, Congress should take appropriate action.

Mrs. LOWEY. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentlewoman from New York (Mrs. LOWEY) has 10½ minutes remaining.

Mrs. LOWEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California Ms. PELOSI), an outstanding member of the committee, the former ranking member of the committee.

Ms. PELOSI. Mr. Chairman, I thank the gentlewoman from New York, our distinguished ranking member, for yielding me this time, and commend her for her tremendous leadership as ranking member, and really over time on the issues that are in this bill and so many more. I also want to join in commending our distinguished chairman, who, as has been acknowledged, is a very agreeable chairman to work with, in the tradition of bipartisanship of this subcommittee.

I think they did a great job with what they had to work with. The priorities are good. And of course the gentlewoman from New York Mrs. LOWEY) has been our champion on so many of the issues in the bill, and I want to associate myself with the remarks she made in her opening statement because I think it was a fine presentation, as always, on her part.

I do have some areas of disagreement with the general bill, not with the gentlewoman from New York but with the general bill, so I wanted to take a few moments to express those. I will have an amendment, which is not going to be in order, but at least I want to talk about it for a moment.

I do not think that the bill gives sufficient resources, sufficient to match the compassion of the American people or the needs of the people of El Salvador in response to the earthquakes in El Salvador. It is hard to imagine, Mr. Chairman, that the earthquakes in El Salvador caused more damage in El Salvador than all of Hurricane Mitch did, combined, in Central America. First, there was one earthquake, where hundreds of people were killed and hundreds of thousands of homes destroyed and people made homeless in January. And then, as fate would have it, in February another earthquake struck, compounding the tragedy enormously.

Traditionally, we, the United States, have provided 40 percent of the outside international assistance to meet these needs. We do not come anywhere near that in this bill. In any event, I am hopeful that at the end of the legislative process, the appropriating process, that there will be more funds, because there certainly is tremendous need.

Another area of disagreement I have in the bill is with, what are we calling it now, Plan Colombia? The Andean Drug Initiative, I believe is what it is called now. I opposed it when President Clinton proposed it in his supplemental bill when he was in office, and I have opposed it in supplemental this time, in subcommittee, full committee, and I will on the floor as well when now the McGovern amendment will be presented next week.

But let me just say this briefly. For us to say that we need to send billions of dollars, billions of dollars, to Colombia in order to reduce demand on drugs in the United States just simply does not make sense. Now, if we have another agenda in Colombia and we want to help the Colombian people, then I think we can find a better way than sending military assistance to Colombia. But getting back to the justification, which was to reduce demand in the United States, I want to remind my colleagues that the RAND report tells us that to reduce demand by 1 percent in the U.S. by using treatment on demand, it costs about $32 million. To do so by eradication of the coca leaf in the country of origin, it costs 23 times more than that, over $700 million, to reduce demand by 1 percent.

There are 5½ million addicts in the country. Two million have treatment; 3½ million do not. The money we send to El Salvador would take care of about 10 percent only of those addicts to reduce demand. However, we are not even matching domestically what we are sending to El Salvador. We will talk, when the McGovern amendment comes up, about particulars as far as the military is concerned.

I seem to have dwelled on areas of disagreement; yet I wish to commend the distinguished chairman and the ranking member for the increase in international AIDS funding both on a bilateral basis and through the trust fund. I would like to see more money in for infectious diseases, which the McGovern amendment strives to do, but I do want to commend the chairman and the ranking member once again for the spirit of cooperation that they brought to this very important bill.

Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentlewoman from New York, and I would like to thank both the chairman and the ranking member for a very strong commitment of the United States to its foreign policy through this legislation.

I would like to engage both the ranking member and the chairman in a colloquy. I appreciate the opportunity to share our common concern for the continuing human rights violations committed by the Ethiopian Government. I have frequently voiced my serious concerns about the human rights practices of the Ethiopian Government.

Recently, I was very concerned to learn of an indiscriminate attack by police forces on the campus of Addis Ababa University on April 11, 2001, in the wake of peaceful demonstrations. I understand that as many as 41 brave individuals were killed on or near the Addis Ababa University, while another 250 persons were injured in an inhuman attack by police forces. I hope my colleagues will join me in denouncing such human rights violations.

As an aside, my colleagues know that my predecessor, Mickey Leland, died in Ethiopia trying to help the starving Ethiopians at that time.

Mrs. LOWEY. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I share the concerns enunciated by my colleague, and I hope the Congress continues to monitor the human rights situation in Ethiopia closely.

Ms. JACKSON-LEE of Texas. Reclaiming my time, I thank the gentlewoman; and as I indicated, I want to thank the chairman for his concern as well and particularly his concern about human rights abuses.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentlewoman for yielding, and I thank her for her interest and her involvement in this issue. I am also concerned, as is the ranking member, when Ethiopia is cited for human rights violations. And I can assure the gentlewoman from Texas that we will continue to monitor the situation in that country.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I look forward to working with both of my colleagues; and as I indicated, I know Mickey Leland, who served in this body, would be very proud that we would carry on his tradition of protecting the human rights of all citizens, and particularly those in Ethiopia.

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Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Chairman, I want to thank my good friend, the gentlewoman from New York (Ms. PELOSI), and those in the majority party who have been helpful on the Microenterprise Loans for the Poor Program.

Certainly this is one of the most important programs that the United States engages in which primarily benefits not only the poorest of the poor and the most vulnerable of the vulnerable out there in the world, but it also helps grow small businesses, and it helps primarily women. We want to continue to show our very strong support for this program and do it by making sure that these programs have the sufficient amount of money. I believe this bill has $155 million. Last year, we authorized the bill at $167 million.

I would hope this bill would continue to move forward in appropriating even more money for the Microenterprise Loans for the Poor Program and also provide the microcredit programs with the poverty assessment tools, the ability for the microenterprise programs to work with USAID and target these funds to the poorest people that are eligible in the different parts of the world where this program really benefits

growing small businesses, helping families, and targets aid to help our allies all across the world.

Mr. Chairman, I want to thank the gentlewoman from New York (Mrs. LOWEY) and the gentlewoman from California (Ms. PELOSI) for their strong help. I want to continue to encourage the gentleman from Arizona (Mr. KOLBE), the chairman, to fund and conference this program at the authorized level. I think we could go about $12 million higher and also work with the microcredit programs to work on this poverty assessment tool.

Mrs. LOWEY. Mr. Chairman, I yield back the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I thank the chairman and the ranking member of the subcommittee for their good work on a bipartisan basis in crafting out this bill.

I think it is important for us to remember a lesson from the gospel of John in which we are told ''to those who much have been given, much is expected.''

That is why the United States of America is engaged in so many different areas around the globe. We have been a very affluent country. We are the most affluent country in the world. Therefore, it is incumbent upon us to be involved with the rest of the world.

This bill makes many, many statements about our values. Values about health care as we have addressed problems with land mines and displaced children and AIDS around the globe. Values about peace, military assistance, nonproliferation assistance, the Western Hemisphere School for Peace in Latin America. Values about jobs as we work through trade in Ex-Im Bank and USAID and various financing mechanisms. Values about drugs as our anti-narcotics control and our cooperation for them, our efforts. Values about the environment, the debt for development, saving the tropical rain forests around the globe. International assistance because of disasters.

Mr. Chairman, one of things people back home ask me is, why do we have a foreign aid bill? I say, just think about Rwanda. Several years ago we saw the picture of the children, of 300,000 people dying. What did we, as Americans, want to do? We wanted to respond to our natural goodness, to go out and give aid and assistance to the people in that poor country.

That is what we are doing with the foreign aid bill, this Foreign Operations Appropriations bill here tonight. We are saying we are going to act proactively so we can act reactively a little bit less and help the rest of the world enjoy all of the fruits and benefits that we as an American people have so enjoyed in this century. We are going to continue that involvement.

Mr. Chairman, I look forward to the debate on this bill and look forward to its final passage.

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to commend the efforts of several Florida-based institutions who are working to address the too-often ignored problem of Mother-to-Child-Transmission of HIV–AIDS in Africa.

We have spoken much about the overall crisis of HIV–AIDS in Africa, but the aspect of innocent children on the Continent contracting HIV–AIDS has not been as widely discussed. According to the most recent statistics from UNAIDS, the rates of HIV infection among African women are high. In several countries, more than 15 percent of women of reproductive age have contracted the virus. As high as 35 percent of these women will pass on the virus to their children curing pregnancy, during labor and delivery or during breast-feeding.

Already, more than 600,000 African children age 14 or below have died from HIV–AIDS, and an additional one million African children are now living with the disease.

Mr. Chairman, the Foundation for Democracy in Africa, through its Institute for Democracy in Africa based in Miami, Florida, is leading efforts to enhance the capacity of African medical personnel to properly handle HIV-positive mothers so that their babies do not join the growing list of victims of this merciless killer disease. The Foundation is currently working with the University of Miami's Jackson Memorial Hospital to develop a comprehensive HIV-AIDS treatment strategy for African nations. This collaboration is being encouraged and facilitated by Miami-Dade County.

Mr. Chairman, I urge my colleagues to encourage their own local and state institutions to put in place efforts to use their resources and expertise in the fight against the scourge of HIV–AIDS in Africa.

Mr. DINGELL. Mr. Chairman, I rise in support of H.R. 2506, the Foreign Operations Appropriations bill for FY 2002. I commend the efforts of my colleagues on the Appropriations Committee who worked hard to guarantee that this bill adequately funds U.S. programs in the Middle East that help facilitate peace. I am particularly pleased that H.R. 2506 allocates $35 million in funding for economic and educational programs in Lebanon. This bill also provides needed assistance to Egypt and Jordan, key allies in this troubled region who have worked diligently with the U.S. to bring about an immediate cessation of violence and a comprehensive, permanent peace agreement between Israelis and Palestinians.

While overall I am pleased with the funding provided H.R. 2506, I am troubled the language of this legislation that blames the Palestinian Authority—and solely the Palestinian Authority—for the violence that has consumed the Occupied Territories and Israel since September 28, 2000. It was on that date, I would note, that the Al Aqsa Intifada was sparked by the reckless, provocative act of a desperate Israeli politician, Ariel Sharon, who has since become Israeli Prime Minister.

I believe the United States must be engaged and committed to bringing about a fair and lasting peace to this troubled land. The U.S. must act as a fair and unbiased arbiter in the peace process. If we take biased positions and pass one-sided pieces of legislation, we hinder our ability to broker peace. The United States is the only nation who can broker peace between the Palestinians and Israelis. However, when we take sides, hope wavers and desperation increases. Desperation leads to fear and anger, which in the Middle East begets violence between the Israelis and Palestinians. This, in turn, raises tension in the region and increases the likelihood of the outbreak of a larger regional war.

Mr. Chairman, Section 563 of this bill requires the President to submit a report to Congress determining whether the Palestinian Authority has taken steps to comply with the 1993 Oslo Agreement and prevent attacks on Israelis. If the President does not determine that the Palestinians have fully complied, this section would not only cut off U.S. assistance to the Palestinians—none of which, incidentally, is given directly to the Palestinian Authority or the PLO—but also shut down their Washington office and insure that the American people hear only one side of this 53 year-old conflict.

On April 30, 2001, the Sharm el-Sheikh Fact-Finding Committee, headed by George Mitchell, issued its report on the current conflict. The Mitchell Report highlights the fact that both the Palestinian and Israeli governments can and should do more to halt the bloodshed. It concludes that neither government is beyond reproach for their conduct in this sustained confrontation. It notes that both the Israeli and Palestinian populations have lost faith that the negotiating process will meet their goals. For Israelis, ongoing violence has led many to believe that the security of Israel will not be guaranteed through negotiations. For Palestinians, settlement expansion and property confiscation is seen as a demonstration that Israel never will relinquish control of the West Bank and Gaza. The Report also notes that both settlement activity and terrorist attacks must end if confidence in the peace process is to be restored on both sides.

Accordingly, Mr. Chairman, in the spirit of the Mitchell Report, I would gladly support Section 563 if it also required the President to make a report determining if Israel has complied with Oslo and taken steps in the interest of peace.

Congress must act responsibly on issues affecting the Middle East, particularly since the Bush Administration continues its policy of disengagement. Already, the violence, economic turmoil, and diplomatic stalemate that exists today has generated disillusionment with the peace process among Israelis and Palestinians. However, these feelings are growing much more pronounced due to the Bush Administration's tepid commitment to the peace process. Apathy is not an option, because without American leadership, the current conflict will escalate and engulf the region. Our allies, such as Egypt and Jordan, and millions of people in the region rely heavily on the American commitment to brokering a fair peace and preventing such as war from occurring.

Mr. Chairman, in my hand I have a resolution that expresses the sense of the House that, in absence of an Israeli-Palestinian agreement brokered by themselves or the United States to halt this current round of bloodshed, the United Nations should consider sending peacekeeping forces into the West Bank and Gaza Strip. I believe that it is in the interests of all parties to explore any reasonable avenue that could lead to a permanent peace agreement between the Palestinians and Israelis. I believe U.N. peacekeepers would help cool tensions on the ground, monitor any cease-fire agreement including that recommended by the Mitchell Report, and

make the climate more conducive for peace. Peace, after all, is in the interest of Israel, the Palestinian Authority, the United States, the Middle East region, and the world. This resolution does not blame the ongoing violence on the Palestinians, nor does it blame the Israelis. It simply states that this body is in favor of a reasonable, fair policy that promotes peace.

Mr. Chairman, hope in the peace process cannot become a casualty of this ongoing conflict. I urge my colleagues to oppose one-sided policies that help no one but harm everyone, including Israel. I urge them instead to join me as a cosponsor of a constructive piece of legislation that, if passed, will demonstrate that America is a fair arbiter of peace who is more interested in ending this deep, bitter conflict rather than sustaining it.

Mr. KOLBE. Mr. Chairman, I yield back the balance of my time in general debate.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule, and the amendments printed in House Report 107–146 are adopted.

Pursuant to the order of the House of today, no amendment to the bill may be offered on the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD and numbered 4, 8, 17, 21, 22, 25, 28, 29, 30, 32, 35, and 37.

Each such amendment may be offered after the Clerk reads through page 1, line 6, and may amend portions of the bill not yet read.

No further amendment to the bill may be offered after that legislative day except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD on that legislative day, or any record before that date.

The Clerk will read.

The Clerk read as follows:

H. R. 2506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2002, and for other purposes, namely:

AMENDMENT NO. 28 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLENDER-MCDONALD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 28 offered by Ms. MILLENDER-MCDONALD:

In title II of the bill under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', insert before the period at the end the following: '': *Provided further*, That of the amount made available under this heading for HIV/AIDS, $5,000,000 shall be for assistance to prevent mother-to-child HIV/AIDS transmission through effective partnerships with nongovernmental organizations and research facilities pursuant to section 104(c)(5) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(5))''.

Ms. MILLENDER-MCDONALD. Mr. Chairman, this amendment earmarks at a minimum $5 million to prevent mother-to-child HIV/AIDS transmission. For two Congresses, the 106th and the 107th Congress, I have led the fight on the issue of mother-to-child transmission prevention. Mother-to-child transmission is by far the largest source of HIV infection in children under the age of 15 worldwide.

One year ago, the United Nations estimated that 600,000 infants were infected with the virus, bringing the total number of young children living with HIV to over 1 million. Of the 5 million infants infected with HIV since the beginning of the pandemic, about 90 percent have been born in Africa due to a combination of high fertility rates and high HIV prevalence in pregnant women.

Mr. Chairman, we should not lose sight of the fact that the number of cases in India, Southeast Asia and the Caribbean are rising at alarming rates.

Mr. Chairman, the virus may be transmitted during pregnancy, labor, delivery or breast feeding after a child's birth. Among infected infants who are not breast fed, most mother-to-child transmission occurs around the time of delivery just before or during labor and delivery. In populations where breast feeding is the norm, breast feeding accounts for more than one-third of all cases of the mother-to-child transmission. In sub-Saharan Africa, mother-to-child transmission is contributing substantially to rising child mortality rates.

AIDS is the biggest single cause of child death in a number of countries in sub-Saharan Africa. Stopping the spread of HIV/AIDS from mother-to-child is one of the most important prevention programs on which we need to focus. No HIV agenda is complete without programs to enable a mother to prevent perinatal infection of her child. The most effective means of doing so today is anti-drugs for pregnant women and providing mothers with practical alternatives to breast feeding.

Although in theory we can make promising new treatments available to every pregnant woman in the developing world, the challenge does not stop there. Treatment must be done in an ethical and humanistic manner. Counseling and voluntary testing are critical services necessary to help infected women accept their HIV status and the risk it poses to their unborn child. Confidentiality is paramount in counseling and when providing voluntary services programs where women identified as HIV positive may face discrimination, violence and death.

Replacement feeding is an important part of the strategy but should not undermine decades of promoting breast feeding as the best possible nutrition for infants. HIV-infected mothers must have access to information, follow-up clinical care and support.

Therefore, Mr. Chairman, the United States Agency of International Development has examined the astounding numbers of children affected by HIV/AIDS and has stated time and time again that effective intervention can drastically reduce mother-to-child transmission of HIV.

They recognize that the effectiveness of simple and low-cost treatments can be effectively implemented in developing nations, and they are prepared to place among their highest priorities specific mother-to-child projects to women worldwide to enable them to rescue their babies from certain death as a result of HIV/AIDS.

It is my hope, Mr. Chairman, that a minimum of $5 million cited in this amendment be taken from the HIV account. It will substantially impact mother-to-child programs. This by no means should be seen as affecting the core programs of the Child Survival Account.

With these facts in mind, I offer this important amendment. We can save millions of children's lives if we act on this amendment. I ask my fellow colleagues their support to make this amendment adopted, and hopefully the conferees can reach an agreement to increase the funding.

Mr. KOLBE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I support the amendment that is offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD). I think she very well explained the importance of this program, and I think her amendment does represent good public policy.

Mr. Chairman, I accept the amendment.

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join the Chair in congratulating the gentlewoman from California (Ms. MILLENDER-MCDONALD) on her excellent amendment, and we look forward to working with her on these very important issues.

Mrs. MINK of Hawaii. Mr. Chairman, today I rise in support of this critical amendment offered by my colleague, the gentlewoman from California, JUANITA MILLENDER-MCDONALD.

I would like to commend the gentlewoman for her leadership in the area of HIV/AIDS mother-to-child prevention, and recognize her 3-year fight to get this language included into law.

Mr. Chairman, ten percent of all individuals who become infected with HIV/AIDS Virus worldwide are children. Mother-to-children infection is the largest source of HIV infection in children under the age of 15 and the only source of transmission for babies.

Each year, the total number of births to HIV-infected pregnant women in developing countries is approximately 3.2 million. Last year, the United Nations estimated that 600,000 children age 14 or younger were infected with

HIV. 90% of those 600,000 children were babies born to HIV positive mothers. Mr. Speaker, that is 540,000 children who never have a chance.

There has been much discussion recently throughout the developed world that although these is no cure for HIV or AIDS, it can be controlled with the right combination of drugs. This is just not true in developing countries. Drugs are too expensive and the infection rate has reached pandemic proportions. This amendment will appropriate $5 million toward mother-to-child HIV/AIDS transmission prevention in developing countries. Mr. Speaker, this is a very small price to pay to fight this terminal disease before, during, and after birth, giving these children a fighting chance for survival instead of no change for survival.

I know the gentlewoman from California will continue to fight for funding for mother-to-child HIV/AIDS transmission prevention so we may save millions of yet unborn children's lives.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD).

The amendment was agreed to.

AMENDMENT NO. 35 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 35 offered by Mr. SOUDER:

Page 25, line 2, insert before the period at the end the following: '': *Provided further*, That of the funds appropriated under this heading, $27,000,000 shall be for assistance to the Colombian National Police for the purchase of two Buffalo transport/supply aircraft, $12,000,000 shall be for assistance to the Colombian Navy to purchase six Huey-II patrol helicopters, and $5,000,000 shall be for assistance for operating fuel to enhance drug interdiction efforts along the north coast of Colombia and inland rivers''.

Mr. KOLBE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. SOUDER. Mr. Chairman, Colombia is critical to our efforts to keep the devastation of narcotics from American streets but just as importantly to the overall security of our hemisphere. I chair the Subcommittee on Criminal Justice, Drug Policy and Human Resources, which is the authorizing subcommittee for the Office of National Drug Control Policy and the oversight committee for all anti-drug efforts in all branches of our Federal Government.

Mr. Chairman, I want to clear up as we begin this debate a key point. I have also worked on the Drug-Free Schools Program in the Committee on Education and the Workforce. We authorize the Drug-Free Communities Act through our committee. I support efforts to boost drug treatment funding. I have worked in the student loan area with the drug-free student loan amendment. I have worked across the board on treatment, on prevention, on interdiction, on law enforcement, on eradication, and alternative development.

□ 2100

But we cannot have a fair debate if we continue to have a distortion of where our expenditures go. Five percent go to international. Thirty-three percent to prevention and treatment. We can argue whether the ratio should be 7, 10 times for prevention treatment as opposed to the 5 percent international, but let us not get this false impression that we are spending more. Not only in Colombia but in all of our international we spend 5 percent according to the Office of Drug Control Policy.

Now, my amendment specifically addresses something that we have worked with in cooperation with other committees, the Department of State and the Government of Colombia to ensure that Colombia receives effective aid from the United States and that these programs are administered to ensure maximum support to the Government of Colombia in its extremely difficult and challenging fight against narcotics traffic.

This amendment deals with two very specific needs which have been identified by our oversight activities. This reflective of a request which was endorsed by holdover members of the Speaker's Task Force for a Drug Free America, several members of the Committee on International Relations, including Chairman HYDE, Chairman Emeritus GILMAN, and Subcommittee Chairman BALLENGER as well as Chairman BURTON of the full Committee on Government Reform.

This amendment would provide $27 million to the Colombian National Police for the purchase of two Buffalo transport/supply aircraft, $12 million to the Colombian Navy to purchase six Huey-II patrol helicopters to enhance drug interdiction efforts along the north coast of Colombia and inland rivers, and $5 million to the Colombian Navy for operating fuel for the same purpose.

Our oversight activities have strongly suggested that these pieces of equipment are urgently needed to fill important unmet needs in Colombia. The Colombian National Police continues to require airlift capability in support of interdiction and law enforcement activities which is capable of providing significant lift at high altitude where the heroin poppy grows and the ability to land at remote and short-field airstrips.

Without this type of equipment, there are parts of the country which are extremely difficult to reach and that are effectively under the control of narcotics traffickers. The House committees who have studied this issue believe that the aircraft which have been recommended by the State Department will not be sufficient for this purpose and that the planes will not be forthcoming without congressional action.

Similarly, the Colombian Navy requires assistance and suitable equipment to patrol the north coast of Colombia and inland rivers which are extremely difficult to access and often left to narcotics traffic because of the lack of suitable equipment to enforce the rule of law. Again this particular assistance has not to date been provided by the United States and needs to be supported by congressional action.

Mr. Chairman, my colleagues and I have looked very carefully at this issue and believe that these particular pieces of equipment will make a significant and meaningful contribution to narcotics control. Colombians continue to put their lives on the line every day under extremely volatile circumstances to fight a narcotics problem which is caused, to a great extent, by American demand as well as European demand but, to a great extent, by our demand. We are undertaking a comprehensive approach to address all facets of this problem, including reducing that demand. But it is certainly the least we can do to help with basic equipment needs.

I understand that this amendment is subject to a point of order. I look forward to continuing to work with the chairman as do the other sponsors of this amendment and with the State Department in these specifics.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 17 OFFERED BY MR. DELAHUNT

Mr. DELAHUNT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. DELAHUNT:

Page 112, after line 22, insert the following:

REPORT ON IMPLEMENTATION OF COLOMBIAN NATIONAL SECURITY LEGISLATION

SEC. ____. (a) Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of State, after consultation with representatives from internationally recognized human rights organizations, shall submit to the appropriate congressional committees a report on the implementation of the Colombian national security legislation passed by the Colombian Congress on June 20, 2001.

(b) Each such report shall provide a description of the effects of the security legislation on human rights in Colombia and efforts to defend human rights in Colombia, focusing particularly on—

(1) incidents of arbitrary and incommunicado detention by members of the Colombian Armed Forces and the Colombian National Police, and whether those incidents have increased since the submission of the previous report;

(2) the status of investigations into allegations of human rights abuses by members of the Colombian Armed Forces and the Colombian National Police;

(3) the effectiveness of certain investigations conducted by military personnel, as provided for in the security legislation, as opposed to those carried out by appropriate civilian authorities; and

(4) the effects of the security legislation on Colombia's commitments under international treaties.

(c) The requirement to submit a report under this section shall not apply with respect any period of time during with the security legislation is not in effect.

(d) In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. DELAHUNT. Mr. Chairman, let me begin by echoing the sentiments that have been expressed by others regarding the hard work and the dedication of both the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY). The bill is a good product. I think all of us wish that there were more resources to work with. Having said that, it is a reflection of what I believe to be the priorities and values of the vast majority of Members in this House.

My amendment, Mr. Chairman, would require the State Department to report to the United States Congress on the implementation of legislation that was passed in the Colombian Congress last month. That bill will soon be officially transmitted to President Pastrana. It is anticipated that he will sign this particular proposal.

Although much improved from its earlier versions, this legislation still contains ambiguous provisions that could threaten civilian oversight of the military in Colombia and place at risk the progress that has been made toward reforming the military under the leadership of President Pastrana and Armed Forces Chief Fernando Tapias over the course of the past several years.

Continued progress towards genuine and permanent reform should be a prerequisite for American assistance to Colombia's security forces. Only a few years ago, the Colombian military had the worst human rights record in the hemisphere. Until the military is professional and free from links to so-called paramilitary groups, it will be a part of the problem in Colombia rather than the solution.

No military force should be entrusted with the kinds of extraordinary powers that could be interpreted by some to be included in the current draft of this legislation. And while the current leadership is reform-minded, Colombia will elect a new government next May. So it is impossible to predict who will interpret and implement this legislation in the future. Will it be those who insist on continued reform or those who would return to the days of impunity on the part of the military?

The United States has made a massive commitment in the Colombian military predicated in part on its commitment to reform. This legislation pending before the chief executive of Colombia could imperil that commitment. It is imperative that we closely track its implementation if it should become law.

I know this amendment that I propose to offer was not protected under the rule and the gentleman has made a point of order against it. I have had discussions with the gentleman from Arizona and understand that he is willing to work together to include a reporting requirement in conference.

At this time I would like to engage in a colloquy with the gentleman from Arizona (Mr. KOLBE) to confirm my understanding of our agreement.

I would ask the gentleman whether he agrees with the intent of this amendment and will work with me to have the reporting requirement included in the conference report.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. DELAHUNT. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate his comments and his question. I commend the gentleman from Massachusetts for bringing this matter to the attention of the House. I think what he is proposing to do is a good amendment. I would be very happy to work with him to be sure that we have some kind of reporting requirement included in the conference report.

Mr. DELAHUNT. I thank the gentleman and look forward to working with him in this matter.

Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT NO. 22 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Ms. JACKSON-LEE of Texas:

Page 11, line 12, insert before the period the following: '': *Provided,* That of the amount made available under this heading, $10,000,000 shall be for disaster relief and rehabilitation for India with respect to the earthquake in India in January 2001''.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I know that this is an issue that both the chairman and the ranking member are very much aware of.

I am offering today an amendment to the Foreign Operations appropriations bill that will provide much needed support to those in need in India. Just a few months ago as the Indo-American community was celebrating the anniversary of the democracy of India, the Republic of India, on that very day the country was experiencing a very devastating earthquake, January 26, 2001, which struck the western part of India causing enormous human suffering. Five days later, the House passed H. Con. Res. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank and the international community to provide assistance to the Government of India and to the private voluntary organizations that are engaged in relief efforts. Might I add, Mr. Chairman, that in addition, the excellent work of the Indo-American community in advocating for their friends and relatives in India and joining with those of us here in the United States of like concern. I have wanted very much to be able to provide the assistance that this devastation warranted.

Despite a decisive show of support from Congress through its passage of H. Con. Res. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18 I introduced H. Con. Res. 151, a resolution which reaffirmed the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress' support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from the earthquake. Here today I am only asking that we earmark in the international disaster assistance account $10 million for these recovery efforts.

As the most populous democracy on the Earth and a strategic partner of the United States, we have ample reason to support India. This amount would be a mere recognition of our commitment to assisting them. The international community must develop a donor strategy that uses rehabilitation efforts as an opportunity to improve village life, including sanitation facilities, safer design of homes and neighborhoods, improved land drainage and waste disposal. Having just come through a very terrible storm in Houston and knowing what tragedy is and how it changes lives, I can tell you when I saw the devastation in India through media reports, I was immediately drawn to their tragedy, having traveled to India with the President in the last year.

I would urge my colleagues and urge the consideration of the waiver of the point of order, but in essence, Mr. Chairman, and to the chairman and the ranking member, I would like to see us work through this issue. I will look forward to working with an amendment next week, the Crowley amendment, but this amendment would add an additional $10 million, and I would hope that possibly we could resolve this as we look to continue our friendship and support for the people of India.

Mr. Chairman, I rise today to offer an amendment to the Foreign Operations Appropriations bill that will provide some much needed support to those in need in India.

Today, many of our friends in India are still wondering when they will obtain the needed assistance to rebuild their society. On January 26, 2001, a devastating earthquake struck western India, causing enormous human suffering. Five days later, the House passed H. Con. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank, and the international community to provide assistance to the government of India and to the private voluntary organizations that are engaged in relief efforts.

Despite a decisive show of support from Congress through its passage of H. Con. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18, I introduced H. Con. Res. 151, a resolution which reaffirms the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress' support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from he earthquake. Here today, I am only asking that we earmark in the International Disaster Assistance Account $10 million for these recovery efforts.

As the most populous democracy on the earth and a strategic partner of the United States, we have ample reason to support India. This amount would be a token of recognition of this partnership.

The international community must develop a donor strategy that uses rehabilitation efforts as an opportunity to improve village life, including sanitation facilities, safer design of homes and neighborhoods, improved land drainage and waste disposal systems. We must also find innovative ways to assist the poor and marginalized who have the fewest resources to recover from the disaster.

Accordingly, I urge my colleagues to support this amendment, which contains a modest earmark request. This amendment will reflect the symbiotic relationship that Americans have with the people of India. Your continued support for these relief activities will help make the rebuilding process in India a reality.

Mr. KOLBE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me just say briefly to the gentlewoman from Texas that I was in India 6 weeks ago, and I had an opportunity to meet with a number of government officials, including those that have been responsible for responding to the terrible disaster in Gujarat. We heard from them an expression of support for the efforts that have been made by the United States, both by the government and by the NGOs, to respond; but explicitly we were told that India as a very large country had sufficient resources to deal with this problem and they were not specifically asking us for additional funds, at least not at that time.

I would also note that we have never, never earmarked money in the disaster relief account for specific disasters. It is there, as it suggests, for disasters. If you start earmarking for specific disasters, you have lost the point of what that account is for. However, I am quite certain that the USAID would be prepared to entertain any request from the Indian government that might come for some funds from that account.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding. I appreciate very much the gentleman's opportunity to have visited with the leadership in India. As he well knows, many of us represent very strong and vibrant Indo-American communities who have worked to raise moneys to assist their friends and relatives in India. I would ask the gentleman if he would continue to work with me in monitoring the needs of the government of India, working with AID. As we do that and monitor the circumstances, I would be encouraged to withdraw this amendment at this time so that we could work together and ensure that as India may raise its issues of need, that we would be prepared to address it to the international disaster relief under the AID.

□ 2115

Mr. KOLBE. Mr. Chairman, reclaiming my time, I would note that in our report in the account for the International Disaster Assistance, we do have a recommendation to USAID that they use at least $1 million each for India and El Salvador for disaster preparedness activities. So we have a focus on where we think we can be most useful in helping these countries prepare for disasters which might befall them in the future.

I appreciate the gentlewoman's comments, and certainly we will continue to monitor the situation in India and want to make sure that all help is being given that can possibly be given.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentleman would continue to yield, I would look forward to working with the gentleman on this matter, as I said, monitoring the circumstances in India, and as well if you will, advising or keeping abreast of the Indo-American community.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

AMENDMENT NO. 21 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Ms. JACKSON-LEE of Texas:

At the end of the bill, insert after the last section (preceding the short title) the following:

PROHIBITION ON ASSISTANCE FOR FOREIGN GOVERNMENTS THAT USE CHILDREN AS SOLDIERS

SEC. ____. None of the funds made available in this Act may be made available to the government of a country that—

(1) conscripts children under the age of 18 into the military forces of the country; or

(2) provides for the direct participation of children under the age of 18 in armed conflict.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

The gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, again, to the chairman and ranking member, let me start by saying that I would hope that this is such an egregious and heinous set of circumstances that we would find a way to waive the point of order because of the enormous need.

This amendment would prohibit the funding in the bill for nations that conscript children under the age of 18 or use child soldiers in armed conflict. This is simply a small step that should be taken that this Nation now sees as a priority.

It is important to place this prohibition within the bill, since our very body is on record as denouncing the inhumane practice of using children as soldiers. In fact, just this May this Chamber passed a Foreign Relations Authorization Act that requires the United States State Department to compare information on what countries recruit, conscript, and use child soldiers.

What happens with child soldiers is they lose not only their lives in many instances, they lose their spirit. They are sometimes mutilated, they are sometimes caused to mutilate others. We looked at the devastation of children in Sierra Leone and attended hearings dealing with children who had been subject to amputation, either by other children playing warriors or because they were in the way of war. It is important to say to nations that we will use and study war no more with children.

Last year the United States Government signed two landmark protocols that address prostitution, the impact of pornography on children, and the goal or practice of child labor. This resolution is entirely complimentary and applauds the decision by the United States Government to support the protocol that condemns the use of children as soldiers by government and non-government forces.

Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers, and there is a good reason why we did. This is a commonsense step forward. I realize that the drafting of the language of this particular amendment is particularly direct and may seem strong and

harsh, and it may be suggested that there is no authorization for such. I would hope that the passage of the parallel resolutions would give us the ability to allow this amendment to stand, which would be to eliminate funding to countries that continue to conscript children into war.

Let me give the basis of this, as well as to say my commitment to this is so strong that I am hoping my colleagues on the appropriations conference committee will consider language that will allow this to be part of the final bill.

It is estimated that 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries and are currently fighting in armed conflicts. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others join because of economic needs. I can assure you that many times their parents sell them or send them away because of the economic need.

Briefly, Mr. Chairman, let me share a story with you about a boy who tried to escape from the rebels, but he was caught. ''His hands were tied, and then they made us,'' the other new captives, ''kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him, and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, 'Why are you doing this?' I said, 'I have no choice.' After we killed him, they made us smear his blood on our arms. They said we had to do this so that we would not fear death and so that we would not try to escape. I still dream about the boy from my village that I had to kill.''

Military commanders do not care. All they want are bodies to help fight wars.

Simply, this amendment, Mr. Chairman, and to the ranking member, stands up against the countries like the ones that I have named. I would simply hope that consideration would be given to a waiver of the point of order. But as well, if we are able to talk about the possibility of language going into the conference on this heinous act, where we are losing thousands and thousands and thousands of valuable lives that can contribute to the growth and development of their respective countries.

Mr. Chairman, I rise to extend my strong support for this amendment to the underlying bill. It would enhance our understanding of the treatment of children being used as soldiers.

In short, this amendment would prohibit funding in the bill for nations that conscript children under the age of 18 or use child soldiers in armed conflict.

This is a small step that should be taken that this nation now sees as a priority. It is important to place this prohibition within the bill since our very body is on record as denouncing the inhumane practice of using children as soldiers. In fact, just this May, this Chamber passed a Foreign Relations Authorization Act that requires the US State Department to compare information on what countries recruit, conscript and use child soldiers.

Last year, the United States government signed two landmark Protocols that address prostitution, the impact of pornography on children, and the global practice of child labor. This resolution, in an entirely complimentary way, applauds the decision by the U.S. government to support the Protocol that condemns the use of children as soldiers by government and nongovernment forces. Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers. And there is good reason why we did that. This is a common sense step forward.

I realize that the funding or the drafting of the language of this particular amendment is particularly direct and strong and harsh, for it would eliminate all funding for those who conscript children. Let me give the basis of this, as well as to say that my commitment to this is so strong that I am hoping that my colleagues on the Committee on Appropriations the Conference committee and those representing this particular subcommittee will work with me as we move this bill toward conference, ultimately at some point to be able to design disincentives that might also do similarly the same job: to discourage, to stop, the cease, to end the taking of our babies and putting them into war.

It is estimated that 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries and are currently fighting in armed conflicts. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others joined because of economic necessity, to avenge the loss of a family member or for their own personal safety. There are so many stories of children being abused in this way.

I want to share with you one story which illustrates the importance of this amendment. One boy tried to escape from the rebels but he was caught. ''His hands were tied and then they made us,'' the other new captives, ''kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him, and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, 'Why are you doing this?' I said, 'I have no choice.' After we killed him, they made us smear his blood on our arms.'' They said we had to do this so we would not fear death, and so we would not try to escape. I still dream about the boy from my village who I killed. I see him in my dreams, and he is talking to me and saying I killed him for nothing. And I am crying. We must not fund such atrocities.

All we are doing is condemning them to a life of misery, if they are not killed themselves in battle. Their minds are so warped with the viciousness of what has happened that they are destroyed forever.

Military commanders often separate children from their families in order to foster dependence on military units and leaders, leaving such children vulnerable to manipulation. That is clearly unacceptable. I believe it is very unfortunate that the military actually force child soldiers to commit terrible acts of killings or torture against their enemies, including against other children.

My amendment will simply make clear that nations will not receive assistance if they conscript or use children as soldiers. It is entirely consistent with our international obligations and will effectuate such intent in a clear and straightforward manner.

I urge my colleagues to support this amendment.

Mr. KOLBE. Mr. Chairman, I move to strike the last word, while continuing to reserve my point of order.

Mr. Chairman, I appreciate the gentlewoman bringing this matter to our attention. What she is talking about is truly one of the great horrors that exists today in the world, and she has spoken very eloquently about it as it occurs in many parts of the world, but most especially in West Africa, where we have seen young children who have been conscripted into the military and the kinds of horrible things that have happened to these children who in no way should be involved in conflict at all.

These are children who are being robbed of their childhood, being robbed of their opportunity to grow up, and being put in as cannon fodder into these conflicts of which they have little knowledge and know even less about. So I think the gentlewoman is absolutely correct in bringing this to our attention.

I would say that I think that the amendment that she has offered is one that needs careful consideration by the authorizing committee, which is where it ought to be considered. I say that because the language is very, very broad when it talks about conscripting children under the age of 18. In fact, I think still in this country it is possible to enlist, not be conscripted, but enlist in the armed services under the age of 18, so it is quite possible in some countries that a year younger or 6 months younger might be perfectly acceptable.

It also says that it provides that no money shall be made available to a country that provides for direct participation of children under the age of 18 in any armed conflict.

While the outcome is what we would all like to seek, I think the sanction that is here, which is no funds, not just no military funds, but no funds, may be made available to any government of a country where this occurs, could find us in a situation that I think would be most inappropriate.

For that reason, although I would insist on my point of order, if necessary, I would hope that the gentlewoman would withdraw her amendment and bring this to the proper forum.

If the gentlewoman would like to respond?

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman and appreciate the gentleman yielding.

One can see the depth of my passion by the description of the amendment. What I would like to do, and I appreciate the gentleman's invitation, I thank him for acknowledging how heinous these acts are, and I would be

pleased if we could not only take this to the authorizing committee, which I know is prospective and down the road, but have the possibility of working with any more narrow language that might be able to be put in the conference report that at least acknowledges the concerns as we work toward this in the future.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments.

Mr. Chairman, I yield back the balance of my time, while continuing to reserve my point of order.

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to congratulate the gentlewoman for bringing this awful issue to our attention. I think that the more we shed a spotlight on this, the more the world will respond. I am particularly pleased with the allocations in this bill for development assistance, for education in particular, which we increased dramatically. If we can educate the population of countries where these kinds of horrors exist, perhaps we will begin to address it more seriously and eradicate this so these children can have a chance to grow in a healthy environment.

We know that the work we have to do here to raise awareness is enormous, and I appreciate the gentlewoman bringing this issue to our colleagues' attention. I look forward to working with the chairman in crafting some language and some action that would increase attention to this issue. I thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, first of all, let me thank the gentlewoman for her deep and passionate commitment and thank her for acknowledging this.

I would just like to pose a question to both the ranking member and to the chairman. I am appropriately made aware, if you will, of the broadness, and obviously it is because of the deep passion that we all share. I would be interested in narrowing the language to have something referred in the report language, and I was wondering if that could be done in the report language of this bill.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would just note for the gentlewoman from Texas that, of course, the report is done. But if the gentlewoman is talking about in the conference report itself, I could not make a commitment at this time that we could do anything specifically.

But certainly the problem that the gentlewoman has brought to our attention is one that clearly needs to be dealt with by the appropriate committees, and I would be happy to work with the gentlewoman in any way possible to make sure that is done.

I cannot make a specific commitment about what we can do in the conference committee on this matter.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I believe we can commit to addressing the issue and working with the gentlewoman to see if we can appropriately find some language in the conference that could make a difference. I want to thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentlewoman will yield further, if I could respond, I am an optimist. I thank the gentlewoman for working with me.

Mr. Chairman, with the commitment of trying to work through this issue, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) is withdrawn.

There was no objection.

Mr. KOLBE. Mr. Chairman, I move to strike the last word. Mr. Chairman, before we rise, let me just make a comment to the body, that we will rise now and we will resume deliberations on this bill on Tuesday, working under the unanimous consent agreement that we have. We have a number of amendments, many of them that will require extensive debate, and I would put all Members on notice that we expect to start as early as possible, we do not have the schedule for next week yet, but as early as possible on Tuesday, and that we would expect to go as long as possible on Tuesday in order to finish this bill.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KOLBE) having assumed the chair, Mr. Thornberry, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, had come to no resolution thereon.

□ 2130

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. KOLBE). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BUYER) is recognized for 5 minutes.

(Mr. BUYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 9:45 p.m.

Accordingly (at 9 o'clock and 31 minutes p.m.), the House stood in recess until approximately 9:45 p.m.

□ 2147

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. KELLER) at 9 o'clock and 47 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2216, SUPPLEMENTAL APPROPRIATIONS ACT, FISCAL YEAR 2001

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–149) on the resolution (H. Res. 204) waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLUMENAUER (at the request of Mr. GEPHARDT) for today after 4:30 p.m. and the balance of the week on account of personal family business.

Mr. ENGEL (at the request of Mr. GEPHARDT) for today and the balance of the week on account of a death in the family.

Ms. MCKINNEY (at the request of Mr. GEPHARDT) for today and the balance of the week on account of family illness.

Mr. MILLER of Florida (at the request of Mr. ARMEY) for today from 7:00 p.m. and the balance of the week on account of family medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. LOWEY) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. THORNBERRY) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 5 minutes, July 20.

Mr. DIAZ-BALART, for 5 minutes, today and July 20.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

SENATE BILL AND A CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts; to the Committee on Ways and Means.

S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union; to the Committee on International Relations.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Friday, July 20, 2001, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2969. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Final Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Joaquin Valley Unified Air Pollution District [CA 217–0285; FRL–6995–7] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2970. A letter from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Federal-State Joint Board on Universal Service [CC Docket No. 96–45] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2971. A communication from the President of the United States, transmitting the status of efforts to obtain Iraq's compliance with the resolutions adopted by the United Nations Security Council; (H. Doc. No. 107–103); to the Committee on International Relations and ordered to be printed.

2972. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Summer Flounder Fishery; Framework Adjustment 2 [Docket No. 010618159–01; I.D. 051101A] (RIN: 0648–AO92) received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2973. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Eastern Aleutian District of the Bering Sea and Aleutian Islands [Docket No. 010112013–1013–01; I.D. 070601A] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2974. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Western Regulatory Area of the Gulf of Alaska [Docket No. 01012013–1013–01; I.D. 070301A] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2975. A letter from the Director, Policy Directives and Instructions Branch, INS, Department of Justice, transmitting the Department's final rule—Petitioning Requirements for the H–1C Nonimmigrant Classification Under Public Law 106–95 [INS 2050–00] (RIN: 1115–AF76) received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. H.R. 1850. A bill to extend the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century and to make technical corrections to the law governing the Commission (Rept. 107–147). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee of Conference. Conference report on H.R. 2216. A bill making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes (Rept. 107–148). Ordered to be printed.

Mrs. MYRICK: Committee on Rules. House Resolution 204. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30 2001, and for other purposes (Rept. 107–149). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BISHOP (for himself, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CHRISTENSEN, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mr. DAVIS of Illinois, Mrs. JONES of Ohio, Ms. LEE, Mr. WATT of North Carolina, Mr. CUMMINGS, Mr. HILLIARD, Mr. WYNN, Mr. OWENS, Ms. WATERS, Mr. PAYNE, Ms. MCKINNEY, Ms. KILPATRICK, Mr. LEWIS of Georgia, Ms. CARSON of Indiana, Mr. RUSH, Mr. TOWNS, Mr. THOMPSON of Mississippi, Ms. SOLIS, Mr. SERRANO, Mr. CLYBURN, and Ms. DELAURO):

H.R. 2562. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to direct the Director of the Federal Emergency Management Agency to establish a minority emergency preparedness demonstration program, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GANSKE (for himself, Mr. DINGELL, Mr. NORWOOD, Mr. BERRY, Mr. LEACH, Mr. BROWN of Ohio, Mrs. ROUKEMA, Mr. JOHN, Mrs. MORELLA, Mr. ANDREWS, Mr. GILMAN, Mr. RANGEL, Mr. LATOURETTE, Mr. STENHOLM, Mr. HORN, Mr. SANDLIN, Mr. BARR of Georgia, Mr. STUPAK, Mr. SMITH of New Jersey, Mr. PALLONE, Mr. TOWNS, Ms. ESHOO, Mrs. CAPPS, Mr. GREEN of Texas, Mr. GORDON, Ms. MCCARTHY of Missouri, Mr. ENGEL, Mr. MOORE, Mr. STRICKLAND, Mr. MARKEY, Mr. SAWYER, Mrs. DAVIS of California, Mr. BARRETT, Mr. WYNN, Mr. STARK, Mr. WAXMAN, Mr. RUSH, Mr. BOUCHER, Mr. HALL of Texas, Mr. BISHOP, Mr. TURNER, Ms. HARMAN, Mr. PASCRELL, Mrs. MCCARTHY of New York, Mr. FRANK, Mr. MATSUI, Mr. COYNE, Mr. MCDERMOTT, Mr. CARDIN, Mr. LEVIN, Mr. MCNULTY, Mr. JEFFERSON, Mr. LEWIS of Georgia, Mr. KLECZKA, Mrs. THURMAN, Mr. BOSWELL, Mr. CROWLEY, Mr. TIERNEY, Mr. HOEFFEL, Mr. MEEHAN, Mr. DOYLE, Ms. DEGETTE, Mr. MATHESON, Mr. KUCINICH, Ms. PELOSI, Mr. BERMAN, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, and Mr. ROSS):

H.R. 2563. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ADERHOLT:

H.R. 2564. A bill to direct the Administrator of the Federal Aviation Administration to treat certain property boundaries as the boundaries of the Lawrence County Airport, Courtland, Alabama, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CANNON (for himself, Mr. HANSEN, and Mr. MATHESON):

H.R. 2565. A bill to amend the Central Utah Project Completion Act to clarify the responsibilities of the Secretary of the Interior with respect to the Central Utah Project, to redirect unexpended budget authority for the Central Utah Project for wastewater treatment and reuse and other purposes, to provide for prepayment of repayment contracts for municipal and industrial water delivery facilities, and to eliminate a deadline for such prepayment; to the Committee on Resources.

By Mr. CANTOR (for himself, Mr. SMITH of New Jersey, Ms. BERKLEY, Mr. PITTS, Mr. KIRK, Mr. BACHUS, Mr. RYUN of Kansas, Mr. PENCE, Mr. SOUDER, Mr. CROWLEY, Mr. LEWIS of Kentucky, Mr. WEINER, Mr. SCHROCK, Mr. GRUCCI, Mr. SCHAFFER, Mr. ISRAEL, and Mr. TIBERI):

H.R. 2566. A bill to prohibit assistance from being provided to the Palestinian Authority or its instrumentalities unless the President certifies that no excavation of the Temple Mount in Israel is being conducted; to the Committee on International Relations.

By Ms. DELAURO:

H.R. 2567. A bill to authorize a program of assistance to improve international building practices in eligible Latin American countries; to the Committee on International Relations.

By Mr. DREIER (for himself, Mr. HOUGHTON, and Mr. FLAKE):

H.R. 2568. A bill to provide authority to control exports, and for other purposes; to the Committee on International Relations.

By Mr. GRAHAM:

H.R. 2569. A bill to amend title 11 of the United States Code to establish a priority for the payment of claims for duties paid to the United States by licensed customs brokers on behalf of the debtor; to the Committee on the Judiciary.

By Mr. FARR of California (for himself, Mr. BLUMENAUER, Mr. ENGLISH, Mr. GEORGE MILLER of California, Mr. FALEOMAVAEGA, Mr. GREENWOOD, Ms. WOOLSEY, Ms. MCKINNEY, Mr. MORAN of Virginia, Mr. BORSKI, Mr. LANTOS, Ms. PELOSI, Mr. BOUCHER, Ms. BALDWIN, Mr. ACEVEDO-VILA, Ms. LEE, Mr. WEINER, Mr. CLYBURN, Mr. HONDA, Mrs. DAVIS of California, and Ms. ESHOO):

H.R. 2570. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to recover depleted fish stocks and promote the long-term sustainability of marine fisheries, and for other purposes; to the Committee on Resources.

By Mr. HILL (for himself, Mr. BARRETT, Ms. SANCHEZ, Mr. SMITH of New Jersey, Mr. DUNCAN, Mr. HOEFFEL, Mr. HOLDEN, Mr. BAIRD, Ms. CARSON of Indiana, Mr. PRICE of North Carolina, Mrs. JONES of Ohio, Mr. RAHALL, and Mr. SCHIFF):

H.R. 2571. A bill to amend section 10105 of the Elementary and Secondary Education Act of 1965 to provide for a smaller learning communities grant program; to the Committee on Education and the Workforce.

By Mr. LAFALCE:

H.R. 2572. A bill to implement certain recommendations of the National Gambling Impact Study Commission by prohibiting the placement of automated teller machines or any device by which an extension of credit or an electronic fund transfer may be initiated by a consumer in the immediate area in a gambling establishment where gambling or wagering takes place; to the Committee on Financial Services.

By Mr. MCDERMOTT (for himself, Mr. BONIOR, Mr. PETRI, Ms. MCKINNEY, Mrs. NAPOLITANO, Mr. SHERMAN, Mr. BORSKI, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. SAWYER, Mr. GEORGE MILLER of California, Mr. GUTIERREZ, Mr. BLAGOJEVICH, Mr. EVANS, Mr. LEACH, Mr. PAYNE, Mr. ANDREWS, Mr. UDALL of New Mexico, Mr. COSTELLO, Mrs. MINK of Hawaii, and Ms. SOLIS):

H.R. 2573. A bill to ensure that proper planning is undertaken to secure the preservation and recovery of the salmon and steelhead of the Columbia River basin and the maintenance of reasonably priced, reliable power, to direct the Secretary of Commerce to seek peer review of, and to conduct studies regarding, the National Marine Fisheries Service biological opinion, under the Endangered Species Act of 1973, pertaining to the impacts of Columbia River basin Federal dams on salmon and steelhead listed under the Endangered Species Act of 1973, and for other purposes; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MILLER of Florida (for himself, Mr. BORSKI, Mr. TRAFICANT, Mr. GOSS, Mr. CUNNINGHAM, Mr. BRADY of Texas, and Mr. SHAW):

H.R. 2574. A bill to provide for increased cooperation on extradition efforts between the United States and foreign governments, and for other purposes; to the Committee on International Relations, and in addition to the Committees on Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MURTHA:

H.R. 2575. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for caregivers of individuals with long-term care needs; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. MATSUI, and Mr. PORTMAN):

H.R. 2576. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Ways and Means.

By Mr. STUPAK:

H.R. 2577. A bill to designate the facility of the United States Postal Service located at 310 South State Street in St. Ignace, Michigan, as the ''Bob Davis Post Office Building''; to the Committee on Government Reform.

By Ms. WATERS:

H.R. 2578. A bill to redesignate the facility of the United States Postal Service located at 8200 South Vermont Avenue in Los Angeles, California, as the ''Augustus F. Hawkins Post Office Building''; to the Committee on Government Reform.

By Mr. TURNER:

H. Res. 203. A resolution providing for consideration of the bill (H.R. 2356) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; to the Committee on Rules.

By Mrs. MYRICK:

H. Res. 204. A resolution waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes.

By Mr. DINGELL:

H. Res. 205. A resolution expressing the sense of the House of Representatives with respect to ceasing hostilities in Israel, the West Bank, and the Gaza Strip; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 98: Mr. BALDACCI.
H.R. 99: Mr. KELLER.
H.R. 103: Mr. OTTER.
H.R. 162: Mr. VISCLOSKY.
H.R. 168: Mr. HYDE and Mr. MALONEY of Connecticut.
H.R. 190: Mr. BILIRAKIS.
H.R. 218: Mr. WALSH, Mr. HAYES, Mr. ABERCROMBIE, Mr. REYES, Mr. FLETCHER, Mr. SIMPSON, Mr. KINGSTON, Mr. SMITH of Michigan, Mr. HERGER, Mr. GALLEGLY, Mr. STEARNS, Mr. HANSEN, Mr. FORBES, Mr. DIAZ-BALART, Mr. KNOLLENBERG, Mr. UPTON, Mr. HEFLEY, Mr. TIBERI, Mr. DELAY, Mr. OXLEY, Mr. WELDON of Florida, Mr. ISTOOK, and Mr. REGULA.
H.R. 267: Mr. FORBES.
H.R. 281: Mr. CLEMENT.
H.R. 425: Ms. NORTON.
H.R. 510: Mr. BOUCHER, Ms. PELOSI, and Mr. CLAY.
H.R. 512: Mr. BRADY of Pennsylvania.
H.R. 514: Mr. PAUL.
H.R. 526: Mr. KIND and Mr. CLEMENT.
H.R. 599: Mr. VISCLOSKY.
H.R. 606: Mr. HALL of Texas.
H.R. 611: Mr. SNYDER, Mr. TAYLOR of Mississippi, Mr. BONIOR, Mr. STENHOLM, and Mr. OSBORNE.
H.R. 612: Mr. PICKERING.
H.R. 623: Mrs. MORELLA.
H.R. 664: Mr. LEACH.
H.R. 760: Ms. DUNN.
H.R. 822: Mr. AKIN.
H.R. 826: Mr. TANCREDO.
H.R. 876: Mr. GREENWOOD and Mr. OTTER.
H.R. 914: Mr. TAUZIN, Mr. CAMP, and Ms. PRYCE of Ohio.
H.R. 921: Mr. WHITFIELD and Mrs. TAUSCHER.
H.R. 959: Ms. HARMAN and Mrs. DAVIS of California.
H.R. 981: Mr. HANSEN, Ms. ROS-LEHTINEN, and Mr. TIBERI.
H.R. 990: Mr. ANDREWS, Mr. SANDERS, Ms. LOFGREN, Mr. ALLEN, Mr. FARR of California, and Ms. BALDWIN.
H.R. 995: Mr. HEFLEY.
H.R. 1030: Mr. ROHRABACHER, Mr. CALLAHAN, Mr. COOKSEY, and Mr. MANZULLO.
H.R. 1032: Mr. BLAGOJEVICH and Mr. HOYER.
H.R. 1073: Mr. JOHNSON of Illinois.
H.R. 1089: Ms. PELOSI.
H.R. 1097: Mr. WU, Mr. LEVIN, Mr. HOLT, and Mrs. DAVIS of California.
H.R. 1149: Ms. LEE, Mr. SHIMKUS, Mr. HILLIARD, Mr. CAPUANO, Mrs. MINK of Hawaii, Mr. ETHERIDGE, Mr. GUTIERREZ, Mr. CLAY, and Mr. LANTOS.
H.R. 1170: Mr. PHELPS.
H.R. 1171: Mr. FALEOMAVAEGA.
H.R. 1172: Mr. ISAKSON, Mr. CHABOT, Mr. EHRLICH, Mr. SHAYS, Mr. BORSKI, Mr. GORDON, Ms. PELOSI, Mrs. MALONEY of New York, Mr. OBERSTAR, Mr. MORAN of Virginia, Mr. BROWN of Ohio, Mrs. MORELLA, Ms. DELAURO, Mr. OSBORNE, Mr. BARR of Georgia, Mr. WEINER, and Mrs. JO ANN DAVIS of Virginia.
H.R. 1177: Mr. GILMAN.
H.R. 1187: Ms. SOLIS.
H.R. 1199: Ms. CARSON of Indiana and Ms. MCKINNEY.
H.R. 1254: Ms. MCCOLLUM and Mr. BORSKI.
H.R. 1262: Ms. ROYBAL-ALLARD and Mr. ALLEN.
H.R. 1304: Mr. REHBERG.
H.R. 1305: Mr. KIND.
H.R. 1307: Mr. BLAGOJEVICH.
H.R. 1350: Mr. ANDREWS and Mr. KIRK.
H.R. 1354: Mr. LIPINSKI and Ms. PELOSI.
H.R. 1357: Mr. BARR of Georgia, Mr. BACHUS, and Mr. NUSSLE.
H.R. 1375: Mr. HASTINGS of Washington.

H.R. 1377: Mr. LUCAS of Kentucky, Ms. BALDWIN, and Mr. POMBO.
H.R. 1388: Mr. SCHAFFER.
H.R. 1487: Mr. OLVER.
H.R. 1556: Mr. PUTNAM, Ms. PELOSI, Mr. ACKERMAN, Mr. LANGEVIN, Ms. VELAZQUEZ, Mr. SHOWS, Mr. SCHROCK, and Mrs. KELLY.
H.R. 1591: Mr. CONYERS.
H.R. 1609: Ms. ROS-LEHTINEN, Mr. WHITFIELD, Mr. BOUCHER, Mr. WELDON of Florida, Mr. ROGERS of Kentucky, and Mr. PUTNAM.
H.R. 1645: Mr. VISCLOSKY, Ms. RIVERS, and Mr. DELAHUNT.
H.R. 1650: Mr. MCNULTY.
H.R. 1682: Mr. KILDEE and Ms. PELOSI.
H.R. 1700: Ms. RIVERS and Mr. BRADY of Pennsylvania.
H.R. 1701: Mr. LUCAS of Kentucky.
H.R. 1723: Ms. ROS-LEHTINEN, Mr. KILDEE, Mr. MCNULTY, Mrs. CAPPS, Mr. HOLT, and Mr. BARRETT.
H.R. 1731: Mr. GORDON, Mr. SIMMONS, Mr. HEFLEY, Mr. WELDON of Pennsylvania, Mr. PETRI, and Mr. TOOMEY.
H.R. 1759: Mr. HASTINGS of Washington and Mr. LEWIS of Georgia.
H.R. 1795: Mr. GRAVES, Mrs. MEEK of Florida, Mr. GRUCCI, and Mr. STUMP.
H.R. 1798: Mr. DICKS.
H.R. 1810: Mr. BLUMENAUER, Mr. HOLT, and Mr. HONDA.
H.R. 1815: Mr. ALLEN, Mr. DEFAZIO, Mr. HOLT, Mr. LEACH, Mr. LEWIS of Georgia, Mr. MORAN of Virginia, Mr. SHAYS, and Mr. WAXMAN.
H.R. 1835: Mr. LEWIS of Kentucky, Mr. LAHOOD, and Mr. PETERSON of Pennsylvania.
H.R. 1841: Mr. WELDON of Pennsylvania, Mr. MEEKS of New York, Mr. MARKEY, Mr. UDALL of Colorado, Mr. LIPINSKI, and Mr. CROWLEY.
H.R. 1887: Ms. PELOSI, Mr. WYNN, and Mr. BORSKI.
H.R. 1890: Mr. GOODE.
H.R. 1935: Mr. FORBES, Mr. BALDACCI, Mr. GOODE, and Mrs. KELLY.
H.R. 1942: Mr. LATHAM and Mr. WAMP.
H.R. 1948: Mr. LAHOOD and Mr. GUTIERREZ.
H.R. 1983: Mr. NORWOOD, Mr. FOSSELLA, and Mr. HAYWORTH.
H.R. 1987: Mr. CRAMER, Mr. CLYBURN, Mr. LUCAS of Kentucky, Mr. WHITFIELD, Mr. ISAKSON, Mr. HOUGHTON, Mr. NETHERCUTT, Mr. MORAN of Kansas, Mr. MOORE, Mr. RODRIGUEZ, and Mrs. NORTHUP.
H.R. 1990: Mr. ENGEL.
H.R. 1994: Mr. WYNN and Mr. BARTON of Texas.
H.R. 2001: Mr. SHOWS.
H.R. 2014: Mr. SMITH of Washington and Mr. SPRATT.
H.R. 2023: Mr. PETRI and Mr. HAYWORTH.
H.R. 2059: Mr. ALLEN.
H.R. 2063: Mr. MCNULTY, Mr. REYES, Mr. WEXLER, Mr. HALL of Ohio, Mr. COSTELLO, Mr. BORSKI, and Mr. CLEMENT.
H.R. 2074: Mr. GONZALEZ.
H.R. 2097: Mr. MCINTYRE, Mr. BLAGOJEVICH, Mr. STARK, Mr. MCGOVERN, Mr. ABERCROMBIE, Mr. COSTELLO, Mr. FROST, Mr. GONZALEZ, Mr. KILDEE, Mrs. MINK of Hawaii, Mr. BACA, Mr. WEXLER, Mr. LANTOS, and Ms. PELOSI.
H.R. 2107: Mr. DAVIS of Illinois, Mr. ENGEL, Mr. BACA, Mr. BECERRA, Ms. VELAZQUEZ, Mr. LARSEN of Washington, and Mr. SERRANO.
H.R. 2118: Mr. PLATTS.
H.R. 2142: Mr. NADLER, Mr. HALL of Ohio, Mr. GUTIERREZ, Mr. GEORGE MILLER of California, Mr. BLAGOJEVICH, Mr. BORSKI, Mr. PITTS, Mr. MORAN of Virginia, Mr. KENNEDY of Rhode Island, Mr. JACKSON of Illinois, Mr. HOLT, Mr. CLYBURN, Ms. PELOSI, Mr. BOEHLERT, Mr. FILNER, and Mr. FARR of California.
H.R. 2147: Mr. FROST.
H.R. 2153: Mr. CAPUANO.
H.R. 2158: Mrs. MEEK of Florida, Ms. RIVERS, Mr. MCDERMOTT, and Mr. DEFAZIO.
H.R. 2161: Mr. BROWN of Ohio.
H.R. 2163: Mr. MEEKS of New York, Mr. PRICE of North Carolina, Ms. NORTON, Mr. WEXLER, and Mrs. MINK of Hawaii.
H.R. 2167: Mr. HOYER.
H.R. 2172: Mr. STRICKLAND.
H.R. 2185: Mr. JOHNSON of Illinois.
H.R. 2198: Ms. PELOSI.
H.R. 2219: Mr. KILDEE.
H.R. 2232: Mr. JEFFERSON, Mr. MCNULTY, Mr. FROST, Mr. STARK, Mr. BROWN of Ohio, Mr. HINOJOSA, Mr. GUTIERREZ, Mr. GREEN of Texas, Mrs. JONES of Ohio, Mr. CUMMINGS, Mr. TOWNS, Mr. LAFALCE, Mr. MCINTYRE, Ms. NORTON, Mr. KILDEE, Ms. LEE, Mr. BONIOR, Ms. MCKINNEY, Mr. BLAGOJEVICH, Mrs. CHRISTENSEN, Mr. HOEFFEL, Mr. CARSON of Oklahoma, Mr. CROWLEY, Mrs. MINK of Hawaii, and Mr. WEXLER.
H.R. 2233: Mr. OWENS.
H.R. 2286: Mr. LANTOS.
H.R. 2310: Mr. RODRIGUEZ.
H.R. 2315: Ms. DUNN.
H.R. 2331: Ms. MCKINNEY.
H.R. 2339: Mr. KNOLLENBERG and Mr. WEXLER.
H.R. 2340: Ms. PELOSI and Mr. WEXLER.
H.R. 2349: Mr. OBERSTAR and Mr. BROWN of Ohio.
H.R. 2350: Mr. GORDON.
H.R. 2354: Mr. HASTINGS of Washington.
H.R. 2357: Mr. TANCREDO, Mrs. CUBIN, Mr. GOODE, Mr. HILLEARY, and Mr. COOKSEY.
H.R. 2366: Mr. TANCREDO.
H.R. 2374: Mr. BRADY of Texas.
H.R. 2375: Mr. FRANK, Ms. SOLIS, Mr. HOEFFEL, Mr. BLAGOJEVICH, Mr. DEFAZIO, Mr. CAPUANO, Mr. STARK, Mr. FILNER, Ms. LOFGREN, and Mr. BOUCHER.
H.R. 2379: Ms. RIVERS, Mr. WEXLER, and Mr. CLAY.
H.R. 2390: Mr. GOODE.
H.R. 2422: Mr. HOLDEN, Mr. MCHUGH, Mr. FROST, Mr. WAXMAN, Mr. BRADY of Pennsylvania, and Mr. BONIOR.
H.R. 2435: Mr. CUNNINGHAM.
H.R. 2441: Mr. JOHN.
H.R. 2453: Mr. DAVIS of Illinois, Ms. SLAUGHTER, and Mr. WYNN.
H.R. 2466: Mr. PICKERING, Mr. MCHUGH, and Mr. GARY G. MILLER of California.
H.R. 2426: Ms. NORTON, Mr. FATTAH, Mr. KILDEE, Mr. THOMPSON of Mississippi, and Mr. SERRANO.
H.R. 2484: Mr. MALONEY of Connecticut.
H.R. 2503: Mr. BURTON of Indiana, Mr. WOLF, Mr. ROHRABACHER, and Mr. GILMAN.
H.R. 2520: Mr. WAXMAN and Mr. SHERMAN.
H.J. Res. 15: Mr. GEORGE MILLER of California.
H. Con. Res. 17: Ms. SOLIS, Mr. GUTIERREZ, Mr. INSLEE, and Mr. SHAYS.
H. Con. Res. 89: Mr. HOUGHTON, Mr. BURR of North Carolina, Mr. PITTS, Mr. FLAKE, Mr. GILMAN, Mr. LEACH, and Mr. SMITH of New Jersey.
H. Con. Res. 102: Mr. BOEHNER, Mr. UDALL of New Mexico, Mr. BRADY of Pennsylvania, Mr. DELAHUNT, Ms. MCKINNEY, Ms. DELAURO, Mr. HOLT, Mr. SAXTON, Mr. HOYER, and Mr. GEORGE MILLER of California.
H. Con. Res. 162: Mr. SCHIFF, Ms. MCKINNEY, Mr. WEINER, Mrs. MALONEY of New York, Mrs. NAPOLITANO, Mr. BILIRAKIS, Mr. STARK, Ms. ESHOO, Mr. VISCLOSKY, Mr. BLAGOJEVICH, Mr. BACA, and Mr. HOYER.
H. Con. Res. 178. Mr. SMITH of New Jersey.
H. Con. Res. 180: Ms. ROS-LEHTINEN, Mr. LANTOS, Mr. VISCLOSKY, Mr. BLUMENAUER, Ms. SOLIS, Mr. ABERCROMBIE, and Mr. GILMAN.
H. Con. Res. 188: Mr. BALDACCI, Mr. RODRIGUEZ, Ms. ESHOO, and Mr. WELDON of Florida.
H. Res. 72: Mr. KIND, Mr. BALDACCI, Mr. SIMMONS, Mr. HINCHEY, and Mr. PLATTS.
H. Res. 132: Mr. LARSON of Connecticut, Mrs. MCCARTHY of New York, Mr. ACKERMAN, Mr. OWENS, and Mr. ENGEL.
H. Res. 133: Mr. ABERCROMBIE, Mrs. CAPPS, Mr. EVANS, Mr. HILLIARD, Mr. CAPUANO, Mr. SHERMAN, Mr. GEORGE MILLER of California, Ms. WOOLSEY, Mr. KUCINICH, Mr. TOWNS, Ms. ESHOO, Mr. HINCHEY, Mr. MCGOVERN, Mr. TRAFICANT, Mr. FRANK, Mr. DOGGETT, Mr. ROHRABACHER, Mr. LEVIN, Mrs. MINK of Hawaii, Mr. LAMPSON, Mr. STARK, Mr. BOUCHER, Mr. DELAHUNT, and Mr. HOYER.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2506

OFFERED BY: MR. BROWN OF OHIO

AMENDMENT NO. 41: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ____. None of the funds made available in this Act may be used by the Export-Import Bank of the United States to guarantee, insure, extend credit, or participate in an extension of credit in connection with the export of any good or service to a company that is under investigation for trade dumping by the International Trade Commission, or is subject to an anti-dumping duty order issued by the Department of Commerce.

H.R. 2506

OFFERED BY: MR. CONYERS

AMENDMENT NO. 42: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLICIT CROPS

SEC. ____. None of the funds made available in this Act under the heading ''DEPARTMENT OF STATE–ANDEAN COUNTERDRUG INITIATIVE'' may be used for aerial spraying efforts to eradicate illicit crops.

H.R. 2506

OFFERED BY: MR. CONYERS

AMENDMENT NO. 43: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLICIT CROPS

SEC. ____. None of the funds made available in this Act under the heading ''DEPARTMENT OF STATE–INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT'' or ''DEPARTMENT OF STATE–ANDEAN COUNTERDRUG INITIATIVE'' may be used for aerial spraying efforts to eradicate illicit crops.

H.R. 2506

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 44: Page 25, line 16, insert before the period the following:

: *Provided further*, That, of the funds appropriated under this heading, $65,000,000 shall not be available for obligation until (1) the Secretary of State submits to the Congress a full report on the incident of April 20, 2001, in which Veronica ''Roni'' Bowers and her 7-month old daughter, Charity, were needlessly killed when a Peruvian Air Force jet opened fire on their plane after the crew of another plane, owned by the Department of Defense and chartered by the Central Intelligence Agency, mistakenly targeted the plane to be potentially smuggling drugs in the Andean region; and (2) the Secretary of State, Secretary of Defense, and Director of Central Intelligence certify to the Congress, 30 days before any resumption of United States involvement in counter-narcotic flights and a force-down program that continues to permit the ability of the Peruvian Air Force to shoot down aircraft, that the

force-down program will include enhanced safeguards and procedures to prevent the occurrence of any incident similar to the April 20, 2001, incident

H.R. 2506

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 45: Page 112, after line 22, insert the following new section:

REDUCTION OF FUNDS FOR ANDEAN COUNTERDRUG INITIATIVE

SEC. ____. The amount otherwise provided in this Act for ''Andean Counterdrug Initiative'' is hereby reduced by $65,000,000.

H.R. 2506

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 46: Page 112, after line 22, insert the following:

REVISION OF FUNDS

SEC. ____. The amounts otherwise provided by this Act are revised by increasing the amount made available under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', by increasing the amount made available under the first dollar amount of the fourth proviso under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'' for micronutrient assistance, by increasing the amount made available under the first dollar amount of the fourth proviso under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'' for nutrition education assistance, and by reducing the amount made available under the heading ''ANDEAN COUNTERDRUG INITIATIVE'', by $100,000,000, $30,000,000, $10,000,000, and $100,000,000, respectively.

H.R. 2506

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 47: In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the first dollar amount, insert the following: ''(increased by $100,000,000)''.

In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the first dollar amount in the fourth proviso, insert the following: ''(increased by $60,000,000)''.

In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the fourth dollar amount in the fourth proviso, insert the following: ''(increased by $40,000,000)''.

In title II of the bill in the item relating to ''ANDEAN COUNTERDRUG INITIATIVE'', after the first dollar amount, insert the following: ''(decreased by $100,000,000)''.

H.R. 2506

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

AMENDMENT NO. 48: Page 2, line 25, after the dollar amount, insert the following: ''(reduced by $25,000,000)''.

Page 36, line 26, after the dollar amount, insert the following: ''(increased by $25,000,000)''.

H.R. 2506

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

AMENDMENT NO. 49: Page 112, after line 22, insert the following:

REVISION OF FUNDS

SEC. ____. The amounts otherwise provided by this Act are revised by reducing the amount made available in title I for ''SUBSIDY APPROPRIATION'', and increasing the amount made available for ''INTERNATIONAL FINANCIAL INSTITUTIONS GLOBAL ENVIRONMENT FACILITY'', by $25,000,000.

H.R. 2506

OFFERED BY: MS. KAPTUR

AMENDMENT NO. 50: Page 20, beginning on line 8, strike ''not to exceed $125,000,000 may'' and insert ''not less than $125,000,000 should''.

H.R. 2506

OFFERED BY: MRS. MALONEY OF NEW YORK

AMENDMENT NO. 51: Page 7, line 3, after the dollar amount, insert ''(reduced by $5,000,000)''.

Page 7, line 4, after the dollar amount, insert ''(increased by $5,000,000)''.

H.R. 2506

OFFERED BY: MRS. MALONEY OF NEW YORK

AMENDMENT NO. 52: Page 7, line 4, insert after ''maternal health'' the following: ''(of which $5,000,000 shall be available for assistance to the Government of Bosnia and Herzegovina to address the special needs of children at risk, especially orphans)''.

H.R. 2506

OFFERED BY; MRS. MALONEY OF NEW YORK

AMENDMENT NO. 53:

Page 25, line 7, insert after the dollar figure (reduced by $5,500,000)''.

H.R. 2506

OFFERED BY: MR. OSE

AMENDMENT NO. 54: Page 40, line 5, after the dollar amount, insert ''(reduced by $700,000)''.

H.R. 2506

OFFERED BY: MR. OSE

AMENDMENT NO. 55: Page 112, after line 22, insert the following:

PROHIBITION ON UNITED STATES CONTRIBUTION TO THE UNITED NATIONS INTERNATIONAL NARCOTICS CONTROL BOARD

SEC. ____. None of the funds appropriated by this Act may be used for a United States contribution to the United Nations International Narcotics Control Board.

H.R. 2506

OFFERED BY: MR. PAUL

AMENDMENT NO. 56: Page 2, strike line 21 and all that follows through line 17 on page 3.

H.R. 2506

OFFERED BY: MR. PAYNE

AMENDMENT NO. 57: In title II of the bill in the item relating to ''DEVELOPMENT ASSISTANCE'', after the first dollar amount, insert the following: ''(increased by $77,000,000)''.

In title II of the bill in the item relating to ''ECONOMIC SUPPORT FUND'', after the first dollar amount, insert the following: ''(reduced by $77,000,000)''.

H.R. 2506

OFFERED BY: MR. PAYNE

AMENDMENT NO. 58: In title III of the bill in the item relating to ''FOREIGN MILITARY FINANCING PROGRAM'', after the first dollar amount, insert the following: ''(reduced by $28,000,000)''.

In title IV of the bill in the item relating to ''CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND'', after the first dollar amount, insert the following: ''(increased by $28,000,000)''.

H.R. 2506

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 59:

SEC. . None of the funds made available by this Act may be used to award a contract to a person or entity whose bid or proposal reflects that the person or entity has violated the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the ''Buy American Act'').

H.R. 2605

OFFERED BY: MR. VISCLOSKY

AMENDMENT NO. 60: In title I, in the item relating to ''SUBSIDY APPROPRIATION'', after the aggregate dollar amount, insert ''(reduced by $15,000,000)''.

In title I, in the item relating to ''ADMINISTRATIVE EXPENSES'', after the aggregate dollar amount, insert ''(reduced by $3,000,000)''.

In title II, in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND''—

(1) after the aggregate dollar amount, insert ''(increased by $18,000,000)''; and

(2) in the 4th proviso—

(A) after the dollar amount allocated for vulnerable children, insert ''(increased by $5,000,000)''; and

(B) after the dollar amount allocated for HIV/AIDS, insert ''(increased by $13,000,000)''.

H.R. 2506

OFFERED BY: MS. WATERS

AMENDMENT NO. 61: Page 112, after line 22, insert the following:

DEBT CANCELLATION FOR HIPC COUNTRIES

SEC. _____. The Secretary of the Treasury shall instruct the United States Executive Director at the International Bank for Reconstruction and Development and the International Monetary Fund to use the voice, vote and influence of the United States to—

(1) cancel 100 percent of the debts owed by the Heavily Indebted Poor Countries (HIPCs) to such institutions; and

(2) require such debt cancellation to be provided by such institutions through the use of their own resources.

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of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *107th* CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, THURSDAY, JULY 19, 2001 *No. 101*

Senate

The Senate met at 10 a.m. and was called to order by the Presiding Officer, the Honorable JEAN CARNAHAN, a Senator from the State of Missouri.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Joyous God, in whose heart flows limitless joy, we come to You to receive Your artesian joy. You have promised joy to those who know You intimately, who trust You completely, and who serve You by caring for the needs of others. We agree with Robert Louis Stevenson, ''To miss the joy is to miss everything.'' And yet, we confess that often we do miss the joy You offer. It is so much more than happiness which is dependent on people, circumstances, and keeping things under our control. Sometimes we become grim. We take ourselves too seriously and don't take Your grace seriously enough. Give us the psalmist's assurance about You when he said, ''To God be exceeding joy'' or Nehemiah's confidence, ''The joy of the Lord is my strength'' or Jesus' secret of lasting joy: abiding in Your love.

May this be a day when we serve You with gladness because Your joy has filled our hearts. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JEAN CARNAHAN led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 19, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEAN CARNAHAN, a Senator from the State of Missouri, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. CARNAHAN thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

SCHEDULE

Mr. REID. Madam President, today the Senate will resume consideration of the Energy and Water Appropriations Act. Cloture was filed on this bill yesterday evening. Unless further agreement is reached, the Senate will vote on cloture on this matter Friday morning.

The majority leader requested that I express to the Senate the fact that we will be voting into the afternoon on Friday unless we are able to move more quickly than we have the last couple of days.

I remind everyone that in addition to being on the finite list, which has already been filed, all first-degree amendments on the energy and water bill must be filed before 1 p.m. today.

We still hope we can reach agreement and complete action on the energy and water bill this morning. We also hope to reach agreement on considering a number of Executive Calendar nominations and begin work on any available appropriations bill and also work on the Graham nomination, which is something the majority leader wants to move to as quickly as possible.

MEASURE PLACED ON THE CALENDAR—H.J. RES. 36

Mr. REID. Madam President, it is my understanding that there is a bill at the desk due its second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 36) proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

Mr. REID. Madam President, I object.

The ACTING PRESIDENT pro tempore. Under the rule, the resolution will be placed on the calendar.

RECESS

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in recess until 10:30 this morning.

There being no objection, the Senate, at 10:05 a.m., recessed until 10:30 a.m. and reassembled when called to order by the Acting President pro tempore (Mrs. CARNAHAN).

Ms. MIKULSKI. Good morning, Madam President.

I ask unanimous consent to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Maryland is recognized.

TRIBUTE TO KATHARINE GRAHAM

Ms. MIKULSKI. Madam President, I rise to speak today to pay tribute to the life and legend of Katharine Graham. It is as if the Washington Monument has fallen. It is as if the lights have gone out at the Smithsonian Institution or the lights have gone out at the Lincoln Memorial. I

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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truly cannot imagine Washington without Kay Graham. She was a Washington institution, a very real person with a remarkable mix of qualities. Much has been said about her grace, her grit, her steel, her great intelligence.

Kay Graham put those qualities into action. She lived an extraordinary life and left an indelible mark on our Nation.

I know the Presiding Officer liked Kay Graham because she took chances. Perhaps one of the greatest chances she took was when she actually took the helm of the Washington Post. Think about it. It was 1963. It was not a time when women did bold things, power things, and they certainly were not on the rung of leadership to be CEOs. She was a woman who had faced an enormous personal tragedy. But as she reflected on where she was, where her family was, and where this newspaper was, she decided to take the helm.

She was initially a reluctant leader, thrown into a leadership position because of the death of her husband. In embracing a leadership position, she set about hiring the very best people and giving them the independence to create one of the greatest newspapers in the world.

She built a Fortune 500 company. And guess what. She became the first woman to head a Fortune 500 company.

There were other firsts for Katharine Graham as well. She was the first director of the Associated Press, the first woman to lead the American Newspaper Publishers Association. I could go through a whole list.

Now we take for granted that women will lead, that women will be in positions of leadership in the private sector and in the public sector. We now enjoy the fact that there are 13 women in the Senate. We have women as university presidents, Governors, and CEOs from dot coms to leaders of the old economy. Yet we cannot forget how hard it was to be the first because for the first and the only, it is also being the first and the lonely.

What Katharine Graham did was involve other people in her life and in her family and in creating that institution.

She was known for probably two great milestones in the history of journalism. She made the courageous decision to print the Pentagon Papers, which gave us this view on the Vietnam war, and then she rigorously pursued the Watergate story.

It is said that men in the highest of power just cringed at the name of Katharine Graham, the Washington Post, Ben Bradlee and the team that he assembled. The highest levels of Government tried to suppress these stories. They used threats. They used intimidations. Katharine Graham did not flinch nor did she falter. The Washington Post and Kay Graham stood firm.

Katharine Graham knew her role was to print the truth, no matter what the impact would be. She truly changed the course of history.

Mrs. Graham's actions reinforced the fact that the freedom of speech cannot be abridged—especially by our own Government.

While she hired gifted and talented reporters and editors, she herself did not take up the pen until 1997 when she wrote a book called her ''Personal History.'' Her autobiography struck a chord even with people who cared nothing about the ways of Washington. In it she had wonderful stories about historic figures. She also showed that she herself was a gifted and talented writer, going on to win the Pulitzer Prize. So much for being a shy, awkward debutante of 40 years before.

What really resonated was the story about a woman who faced crises and confronted them with courage and dignity. I know the Presiding Officer has experienced some of the same. We all cheered when Kay won that Pulitzer Prize because we knew she deserved it and we were proud of her.

I was deeply grateful for a chance she took on me. In 1986 I was running for the U.S. Senate. I was viewed by some as a long shot. The Washington insiders said I did not look the part, and they were not sure that I could act the part. But as history has shown, I got the part. One of the reasons I got the part was because of the endorsement of the Washington Post.

I will be forever grateful to have gotten the Washington Post endorsement in both my primary and the general. Meg Greenfield—the wonderful and special friend, Meg Greenfield—felt that I had the qualities to become the first Democratic woman ever elected to the U.S. Senate in her own right.

I just want to say that Kay Graham, this wonderful blue-blooded lady, welcomed a blue-collar spitfire. And for that I will always be grateful. When I came to the U.S. Senate, I came with her endorsement and her welcome. It is something I treasured in those years as she introduced me to people.

She had me in her home. I had a chance to be at those great parties she had to essentially get started in my own life in Washington. But the story that I want to recall is one that is very special to me in which I participated with her. It was 1987. The late Pamela Harriman was asked to host a lunch at her home for Raisa Gorbachev to introduce her to ''women of distinction.'' Dobrynin had called Mrs. Harriman to host this luncheon. Mrs. Harriman called me. And guess who else was on the list? My colleague, Senator Nancy Kassebaum—there were only two of us in the Senate then—Kay Graham of the Washington Post, Sandra Day O'Connor, at that time the only woman on the Supreme Court, and Dr. Hanna Grey, the president of the University of Chicago.

What an incredible lunch. First of all, we were the talk of Washington, and we were the talk of the world. Raisa was trying to woo America to show that Soviet women were smart and fashionable. And she chose as her venue the Pamela Harriman lunch.

I tried to engage her, in her dissertation on what life was like on the collective farm, as two sociologists. We talked about life and times. But the hit of the lunch was Kay Graham and the way she engaged Raisa Gorbachev. Under Kay Graham's incredible graciousness, courtesy, manners, and charm was one ace investigative reporter. While the rest of us were talking and engaging in intellectual conversation, Mrs. Graham began to engage Mrs. Gorbachev in these kinds of questions: What is it like to be the functional equivalent of the First Lady in the Soviet Union? What was your surprise when you came to power? What do you find it like as in the life of a woman?

I wish you could have heard the late Mrs. Gorbachev's answers. We saw a side of Raisa Gorbachev we didn't know: a woman who saw herself as a scholar, coming to power with a man who had been the head of the Department of Agriculture, that they were changing world history. She was shocked by the number of letters she received, the way the Soviet women had reached out to her, one on one.

We heard that Raisa story because of the way Kay Graham talked to her. It was a very special afternoon. I got to know Mrs. Gorbachev a lot better. Do you know who else I got to know a lot better? Kay Graham. She had world leaders at her feet and at her side. But most of all, she had the gratitude of leaders who knew that at the Washington Post there was a great leader who was willing to meet with other leaders but, no matter what, she said to print the truth and call them the way she saw them.

I am sorry that Kay Graham has been called to glory. God bless her, and may she rest in peace. She has left a legacy that should be a benchmark, a hallmark, and a torch for every other newspaper in America, for all of us who hold leadership, and for we women who are in power. May we be as gracious and as unflinching in our duties as Kay Graham.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

RECESS

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess until 12:15 today, and at that time I be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Senate, at 11:20 a.m., recessed until 12:15 p.m. and reassembled when called to order by the Presiding Officer (Ms. LANDRIEU.)

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2002—Resumed

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2311, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2311) making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized.

RECESS

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess until 1:30 p.m. today, and that I be recognized at 1:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Senate, at 12:16 p.m., recessed until 1:30 p.m. and reassembled when called to order by the Presiding Officer (Mrs. LINCOLN).

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT 2002—Resumed

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, with respect to rule XXII, I ask unanimous consent that Members with amendments on the finite list of amendments to the energy and water appropriations bill have until 2 p.m. today to file first-degree amendments, except for the managers' package, which has been agreed to by both managers and by both leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I ask unanimous consent to briefly speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. REID are printed in today's RECORD under ''Morning Business.'')

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

AMENDMENT NO. 1024

Mr. REID. Mr. President, I send the managers' amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. DOMENICI, proposes an amendment numbered 1024.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. SARBANES. Mr. President, the purpose of my amendment is to address the very serious problem of shoreline erosion and sedimentation which are adversely impacting the health of the Chesapeake Bay watershed. There are approximately 7,325 miles of tidal shoreline along the Chesapeake Bay and its tributaries. In an average year, it is estimated that 4.7 million cubic yards of shoreline material are deposited in the bay due to shoreline erosion. The results not only in serious property damage, but also contributes millions of cubic yards of sediment annually to the bay. This sediment adversely affects the bay's water quality, destroys valuable wetlands and habitat and clogs the bay's navigational channels.

The Army Corps of Engineers operates thirteen reservoirs on the upper Susquehanna River and regulates the river's low and high water flows. There are also four hydroelectric projects on the lower Susquehanna. Under normal conditions, these reservoirs and dams serve as traps for the harmful sediments which flow into the River. During major storms however, they suddenly discharge tremendous amounts of built-up sediments, severely degrading the water quality of the Chesapeake Bay, destroying valuable habitat and killing fish and other living resources. Scientists estimate that Tropical Storm Agnes in 1982 ''aged'' the bay by more than a decade in a matter of days because of the slug of sediments discharged from the Susquehanna River reservoirs. There is a real danger that another major storm in the basin could scour the sediment that has been accumulating behind these dams and present a major setback to our efforts to clean up the bay.

Chesapeake 2000, the new interstate Chesapeake Bay Agreement, has identified control of sediment loads as a top priority for improving the water quality of the bay. The agreement specifically calls for load reductions fro sediment in each major tributary by 2001 and for implementing strategies that prevent the loss of the sediment retention capabilities on the lower Susquehanna River dams by 2003.

Unfortunately, our understanding of the sediment processes and sources of sediments which feed the bay system is still very limited and, to date, few efforts have been undertaken to address the environmental impacts of shoreline erosion and sedimentation on the bay. In 1990, the Army Corps of Engineers completed a study on the feasibility of shoreline erosion protection measures which could protect both the land and water resources of the Chesapeake Bay from the adverse effects of continued erosion but, due to limited authorities, no Federal construction action was recommended at the time. However, the report recommended that the Corps pursue further studies including developing and refining ecosystem models to provide a better understanding of the environmental impacts of sedimentation and sediment transport mechanisms and identifying priority deposition-prevention areas which could lead to structural and non-structural environmental enhancement initiatives.

On May 23, 2001, the Senate Environment and Public Works Committee, approved a resolution which I sponsored together with Senators WARNER and MIKULSKI, directing the Secretary of the Army to review the recommendations of the Army Corps of Engineers' 1990 Chesapeake Bay Shoreline Erosion Study and other related reports and to conduct a comprehensive study of shoreline erosion and related sediment management measures which could be undertaken to protect the water and land resources of the Chesapeake Bay watershed and achieve the water quality conditions necessary to protect the bay's living resources.

The resolution called for the study to be conducted in cooperation with other Federal agencies, the State of Maryland, the Commonwealth of Virginia, and the Commonwealth of Pennsylvania, their political subdivisions and the Chesapeake Bay Program. It also directed the Corps to evaluate structural and non-structural environmental enhancement opportunities and other innovative protection measures in the interest of environmental restoration, ecosystem protection, and other allied purposes for the Chesapeake Bay.

The funding which my amendment would make available, would enable the Corps of Engineers to initiate this study and begin to assess alternative strategies for addressing the shoreline erosion/sedimentation problem in the bay. As the lead Federal agency in water resource management, the Army Corps of Engineers has an important role to play in the restoration of the Chesapeake Bay. The results of this study could benefit not only the overall environmental quality of the Chesapeake Bay, but improve the Corps' dredging management program in the bay.

I urge my colleagues to join me in supporting this amendment.

Mr. WARNER. Mr. President, I rise in favor of an amendment on behalf of myself, Senator SARBANES and Senator ALLEN relating to the ongoing effort by the Corps of Engineers, the Commonwealth of Virginia and the State of Maryland to give new life to the Chesapeake Bay oyster.

Since 1996, the Corps of Engineers has joined with Maryland and Virginia to provide oyster habitat in the Chesapeake Bay. This partnership has stimulated significant financial support from

Virginia and Maryland, dollars from the non-profit Chesapeake Bay Foundation, and many individuals.

The oyster, once plentiful in the Bay, has been ravaged by disease, over-harvesting and pollution. Oyster populations in the Bay are nearly non-existent at 99 percent of its traditional stock. In 1999, watermen landed about 420,000 bushels—approximately 2 percent of the historic levels.

Since the beginning of the joint federal-state Chesapeake Bay Restoration program in 1983, we have learned that restoring healthy oyster populations in the Bay is critical to improving water quality and supporting other finfish and shellfish populations. According to scientists, when oyster populations were at its height, they could filter all of the water in the Bay in three to four days. Today, with the depleted oyster stocks, it takes over one year.

Although it took a long time to develop, there is now consensus in the scientific community, and among watermen and the Bay partners that increasing oyster populations by tenfold over the next decade is a key factor in restoring the living resources of the Bay. Using historic oyster bed locations, owned by the Commonwealth, this federal-state effort has built three-dimensional reefs, stocked them with oyster spat and designated these areas as permanent sanctuaries. These protected areas, off limits to harvesting, have shown great promise in producing oysters that are ''disease tolerant'' which are reproducing and building up adjacent oyster beds.

The new Chesapeake Bay 2000 Agreement, between the federal government and the Bay states, calls for increasing oyster stocks tenfold by 2010, using the 1994 baseline. This goal calls for constructing 20 to 25 reefs per year at dimensions where the reefs rise about the Bay bottom so that young oysters survive and grow faster than silt can cover them.

Mr. President, with the funding provided last year to the Corps and the additional state funds, there is now an active oyster reef construction program underway in both Virginia and Maryland.

My amendment today recognizes the significant allocation of state scientists and state programs that devote their time and resources to the oysters restoration partnership. Integral to the entire project is the state effort to map the large oyster ground areas to determine those sites most suitable for restoration, and to provide suitable shell stock.

For example, in Virginia the focus of the next oyster reef construction area is on the large grounds in Tangier and Pocomoke Sounds. State Conservation and Replenishment Department staff created maps that were gridded and more than 3,000 acres were sampled and evaluated. Eight sanctuary reef sites and more than 190 acres of restorable harvest areas were identified during the oyster ground stock assessment in this area earlier this year.

In preparation for reef construction this summer, Virginia contracted with local watermen to clean the harvest areas and reef sites. In June of this year, four areas were planted with 86,788 bushels of oyster shells at a cost of $139,000 in state funds.

The State of Maryland has been equally committed to providing resources to the Corps for the construction of reef sites in the Maryland waters of the Bay.

Consistent with other Corps programs, my amendment permits the Corps to recognize the strong partnership by the states to restore oyster populations and provide credit toward the non-federal cost share for in kind work performed by the states.

This federal-state sanctuary program is essential to restoring the Chesapeake Bay oyster. The oyster is a national asset because it has the capability to purify the water by filtering algae, sediments and pollutants. Sanctuary oyster reefs also provide critical habitat to other shellfish, finfish and migratory waterfowl.

It has been my privilege to see the construction of these sanctuary reefs last April and I am encouraged by the success of the initial reefs built in Virginia. I am confident that this program is the only way to replenish—and to save—the Chesapeake Bay oyster. I respectfully urge its adoption.

Ms. SNOWE. Mr. President, I rise to thank Senators REID and DOMENICI for including the Snowe-Collins amendment in the Fiscal Year 2002 Energy and Water Development Appropriations today to help the Town of Ft. Fairfield, ME. My amendment should resolve a serious design problem that has arisen in connection with the construction of a small flood control levy project in Ft. Fairfield, which is located above the 46th parallel in Northern Maine, where the river freezes every fall and stays frozen well into spring.

The proper functioning of the levy is vital to the town's economic viability and for protection against future flooding of the downtown area. My amendment should allow the Army Corp of Engineers to assume financial responsibility for a design deficiency in the project relating to the interference of ice with pump operation so that there will be no further and inappropriate cost to the Town.

My amendment calls for the Secretary of the Army to investigate the flood control project and formally determine whether the Secretary is responsible. Since the Corps has already assumed responsibility for the design deficiency, the Secretary will then order the design deficiency to be corrected at 100 percent federal expense.

Once again, I thank the Chairs for their continued support for the levy project in Ft. Fairfield over the years, and I am pleased that the town will now have the assurance that their flooding problems are behind them and can go forward with their economic development plans for their downtown area.

Mr. REID. Mr. President, I ask unanimous consent that the amendment submitted by Senators REID and DOMENICI be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1024) was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DAYTON). Without objection, it is so ordered.

(The remarks of Mr. SPECTER are printed in today's RECORD under ''Morning Business.'')

Mr. SPECTER. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I ask unanimous consent to proceed as in morning business for 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SARBANES are located in today's RECORD under ''Morning Business.'')

Mr. SARBANES. Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I seek permission to speak for up to 10 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. DOMENICI are printed in today's RECORD under ''Morning Business.'')

Mr. DOMENICI. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names: Mr. DOMENICI, Mr. NELSON of Nebraska, and Mr. REID.

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. REID. Therefore, Mr. President, I move to instruct the Sergeant at Arms to request the presence of absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion of the Senator from Nevada. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nevada (Mr. ENSIGN) is necessarily absent.

The result was announced—yeas 76, nays 23, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—76

Akaka	Edwards	Lincoln
Baucus	Enzi	Lugar
Bayh	Feingold	McConnell
Biden	Feinstein	Mikulski
Bingaman	Fitzgerald	Miller
Boxer	Frist	Murray
Burns	Graham	Nelson (FL)
Byrd	Grassley	Nelson (NE)
Campbell	Gregg	Nickles
Cantwell	Hagel	Reed
Carnahan	Harkin	Reid
Carper	Hatch	Rockefeller
Chafee	Helms	Santorum
Cleland	Hollings	Sarbanes
Clinton	Hutchinson	Schumer
Cochran	Inouye	Shelby
Conrad	Jeffords	Smith (OR)
Corzine	Johnson	Stabenow
Craig	Kennedy	Stevens
Daschle	Kerry	Thurmond
Dayton	Kohl	Torricelli
DeWine	Kyl	Warner
Dodd	Landrieu	Wellstone
Domenici	Leahy	Wyden
Dorgan	Levin	
Durbin	Lieberman	

NAYS—23

Allard	Crapo	Sessions
Allen	Gramm	Smith (NH)
Bennett	Hutchison	Snowe
Bond	Inhofe	Specter
Breaux	Lott	Thomas
Brownback	McCain	Thompson
Bunning	Murkowski	Voinovich
Collins	Roberts	

NOT VOTING—1

Ensign

The motion was agreed to.

The PRESIDING OFFICER (Mr. CORZINE). A quorum is present.

The majority leader.

Mr. DASCHLE. Mr. President, for the information of our colleagues, we are now prepared to go to third reading on the energy and water appropriations bill. Senator LOTT and I and Senator DOMENICI and others have been working on what we will do following the completion of our work on energy and water. Unless there is an objection, I think this would be an appropriate time to complete our work on that bill. Senator LOTT and I will have further announcements as soon as we complete our work on this particular bill.

At this time, it would be my suggestion we go to third reading and final passage.

The PRESIDING OFFICER. The Senator from Nevada.

MODIFICATION TO AMENDMENT NO. 1024

Mr. REID. Mr. President, I ask unanimous consent that the managers' amendment be modified with the language I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

On page 7, line 6, strike the period and insert the following: '': *Provided further*, That within the fund's provision herein, $250,000 may be used for the Horseshoe Lake, AR, feasibility study.''

At the appropriate place, insert the following: ''*Provided further*, That the project for the ACF authorized by section 2 of the Rivers and Harbor Act of March 2, 1945 (Public Law 79–14; 59 Stat. 10) and modified by the first section of the River and Harbor Act of 1946 (60 Stat. 635, Chapter 595), is modified to authorize the Secretary, as part of navigation maintenance activities to develop and implement a plan to be integrated into the long term dredged material management plan being developed for the Corley Slough reach as required by conditions of the State of Florida water quality certification, for periodically removing sandy dredged material from the disposal area known as Site 40, located at mile 36.5 of the Apalachicola River, and from other disposal sites that the Secretary may determine to be needed, for the purpose of reuse of the disposal areas, by transporting and depositing the sand for environmentally acceptable beneficial uses in coastal areas of northwest Florida to be determined in coordination with the State of Florida: *Provided further*, That the Secretary is authorized to acquire all lands, easements, and rights of way that may be determined by the Secretary, in consultation with the affected state, to be required for dredged material disposal areas to implement a long term dredge material management plan: *Provided further*, That the long term management plan shall be developed in coordination with the State of Florida no later than 2 years from the date of enactment of this legislation: *Provided further*, That, $5,000,000 shall be made available for these purposes and $8,173,000 shall be made available for the Apalachicola, Chattahoochee and Flint Rivers Navigation.''

FUNDING FOR BEACH REPLENISHMENT PROJECTS

Mr. TORRICELLI. Mr. President, I rise to ask the distinguished managers of the bill if they would consider a request that I and my colleague from New Jersey have concerning the conference.

Mr. REID. I would be happy to accommodate my colleagues from New Jersey.

Mr. TORRICELLI. I thank the Senator from Nevada. Mr. President, I am very pleased to see that the fiscal year 2002 Energy and Water Appropriations bill makes appropriations for many important water resources projects throughout the country. In particular, the Army Corps of Engineers budget includes $1.57 billion in construction funding for important dredging, flood control, and beach replenishment projects, many of which are in my State.

We are extremely grateful that the subcommittee has provided New Jersey with sorely needed funds. And while we understand that the committee has appropriated projects with limited funds, we ask that should funds be made available during conference, that they would consider funding beach replenishment new construction starts. There are several new start projects in my State which are in desperate need of funding, and I would like to draw your attention to several of these projects, and ask that the chairman and ranking member of the subcommittee consider funding for these projects. I cannot stress how vital these projects are to the economies of my State, the region, and our Nation.

Mr. CORZINE. Mr. President, New Jersey's 127 miles of beaches are wide and inviting, dotted with sand dunes and boardwalks offset by a rollicking blue surf and white, warm sand. From Sandy Hook to Cape May Point, one hundred and sixty million people visit New Jersey beaches per year. These visitors generate the bulk of the tourism industry in New Jersey, which is the backbone of my State's economy. Spending by tourists totaled $26.1 billion in New Jersey in 1998, a 2 percent increase from $25.6 billion in 1997. Clearly, our beaches are our lifeblood, and their health is paramount.

This year, there are five new start beach replenishment projects that are in critical need for Federal funding. These projects: the Lower Cape May Meadows, the Brigantine Inlet to Great Delaware Bay Coastline—Oakwood Beach, the Delaware Bay Coastline—Villas and Vicinity, are vital to fighting beach erosion and protecting the tourist economy for South Jersey. My fear is that if Federal funds are not immediately directed to protect these beaches, they will literally disappear in the future.

Mr. TORRICELLI. While we recognize the difficulties involved in providing funding for new starts, we cannot stress how important the construction phase for these projects begin as soon as possible. I would like to note that all of these projects have been authorized by the Water Resources Development Act.

The economy of the region depends directly upon the health of its beaches. Unless construction begins in fiscal year 2002, I am concerned that the economies of the beach-towns within the scope of these projects will be seriously damaged.

Mr. REID. I thank the Senators from New Jersey and assure them that the committee recognizes the importance of protecting our beaches throughout the country.

JENNINGS RANDOLPH LAKE PROJECT

Mr. SARBANES. Mr. President, I would like to clarify that it is the committee's intent that the additional $100,000 provided in the Army Corps of Engineers' operations and maintenance account for the Jennings Randolph Lake project will be used to develop access to the Big Bend Recreation area on the Maryland side of the Jennings Randolph Lake immediately downstream from the dam.

Mr. REID. The Senator is correct. The committee has provided an additional $100,000 for planning and design work for access to the Big Bend Recreation Area located immediately downstream of the Jennings Randolph dam.

Mr. SARBANES. I thank the chairman for these assurances. There is

great demand for additional camping, fishing, and white water rafting opportunities particularly in the area just below the dam, known as Big Bend, and these funds will be very helpful in developing access to this area.

GREAT LAKES DRILLING STUDY

Ms. STABENOW. Mr. President, as the Senator from Nevada knows, the Senate adopted the Stabenow-Fitzgerald-Levin-Durbin amendment which would require an Army Corps of Engineers study on drilling in the Great Lakes and place a moratorium on any new drilling until Congress lifts it in the future.

It is clear that Congress has jurisdiction over Great Lakes drilling because it constitutes interstate commerce under the commerce clause of the Constitution. This constitutes interstate commerce under the Commerce clause of the Constitution for several reasons. One reason is that an environmental accident such as the release of crude oil into the waters of one or more of the Great Lakes would negatively affect the water quality, tourism and fishing industries and shorelines of multiple Great Lakes states. Another reason is that oil and gas extracted from one Great Lakes states would be transported and sold in other states in the form of many products. It would also increase the national supply of oil and gas.

For these reasons, there is not doubt that Congress has Federal jurisdiction over drilling in the Great Lakes and can put a stop to it.

Would the distinguished Chairman of the Energy and Water Subcommittee, and the author of this bill, agree with this interpretation of the Commerce clause?

Mr. REID. I totally agree that Congress has jurisdiction over drilling in the Great Lakes because it constitutes interstate commerce under the commerce clause of the Constitution.

Ms. STABENOW. I thank the distinguished chairman of the subcommittee.

KOOTENAI RIVER STURGEON

Mr. CRAIG. Mr. President, I rise today to express my deep concern over the control of water levels of the Kootenai River in and around Bonners Ferry, ID, related to the Kootenai Sturgeon. The Kootenai River is directly influenced by the operations of the Libby Dam as operated by the Army Corps of Engineers. This area has also been defined as critical habitat for the Kootenai Sturgeon.

Will the distinguished Senators from Nevada and New Mexico engage in a colloquy with me concerning the Kootenai River Sturgeon?

Mr. REID. I will be pleased to engage in such a colloquy.

Mr. DOMENICI. As am I.

Mr. CRAIG. The U.S. Fish and Wildlife Service is in the final stages of the biological opinion reporting on the Kootenai Sturgeon. I feel this document is severely flawed. In the assessment, the economic impact is determined to have ''no effect'' because the area of study is 11 miles of river bottom. As there is no economic activity on the river bottom, I understand the conclusion of the biological opinion. However, I believe the area studied by the economic impact should be the communities affected by any changes in the operations of the Kootenai River.

The biological opinion states that the river should be operated above 1,758 feet to support increased flows for Kootenai Sturgeon. Various studies exist that dispute this number as being correct. When the river is operated above an elevation of 1,758 feet, the water table in the surrounding area rises. As a result, farmers in the area lose crops. I argue this action is a significant economic impact.

I feel the U.S. Fish and Wildlife Service should examine a realistic area as part of their economic impact analysis—that is the area in which an economic impact occurs. Before decisions are made that drastically affect communities, all of the factors should be considered.

Mr. REID. I feel that the issues the Senator from Idaho raises are of a concern, and I want to work with him to see that a solution is found.

Mr. DOMENICI. The Endangered Species Act has also significantly affected areas of my State. I want to work with the Senator from Idaho to find a solution to this issue and provide help for the affected communities.

FUNDING FOR THE GREEN BROOK SUB-BASIN PROJECT

Mr. TORRICELLI. Mr. President, the fiscal year 2002 energy and water appropriations bill provides appropriations for many important water resources projects for the state of New Jersey. I understand that these appropriations were made with limited funds and I am deeply grateful for the support the Committee has provided to many of my requests. However, there is an important New Jersey project that was not fully appropriated and we respectfully ask the managers that if funds should be made available during conference, that they consider fully funding the President's budget request for the Green Brook Sub-Basin.

As you may know, flooding caused by Hurricane Floyd in 1999 caused tremendous damage to the state of New Jersey—especially to the town of Green Brook and the surrounding region. It is estimated that the flooding caused $6 million of damage to the region alone. Unfortunately, the floods from Hurricane Floyd were not the first to have struck the area. Records have shown that floods have continuously struck this area as early 1903. Disastrous flooding to the basin in the summer of 1971 and in the summer of 1973—in which six people were killed.

The Green Brook Sub-Basic project, which is located in north-central New Jersey and spans throughout three counties, began in 2000. The project will construct flood levees and flood walls, bridge raisings, closure structures, individual flood proofings, and buyouts. As you can imagine, the completion of this project will provide needed relief and bring economic revitalization to the region.

The House of Representatives has already fully funded the project for fiscal year 1002.

Mr. CORZNE. Mr. President, I support my colleague from New Jersey's request and on our behalf, we would like to raise an additional issue with the project. We also urge that the Committee Report language that directs the Secretary of the Army to implement the locally requested plan in the western portion of Middlesex County with regards to the Green Brook Sub-Basin projects to be included in the Energy and Water conference report. Many of the local residents that are affected by the Green Brook Sub-Basin project have expressed their interest in changing the project to include buyouts for this area. The report language will implement the change as well as provide lands for badly needed recreation and as well as fish and wildlife habitat enhancement. We are support this language and the House has included similar language in their committee report.

Mr. TORRICELLI. Mr. President, I understand the difficulty the managers will have in providing additional funds for the Green Brook Sub-Basin project. However, the full funding of this project will provide stability and economic revitalization to this very important region in the state of New Jersey.

Mr. REID. I thank the Senators from New Jersey and assure him that the committee will closely review his request.

SEWER INFRASTRUCTURE FUNDING FOR MICHIGAN

Mr. LEVIN. Mr. President, as the Senate considers the fiscal year 2002 appropriations Act for Energy and Water Development I wonder if the distinguished Senator from Nevada would answer a question regarding funding for environmental infrastructure.

I would like to know if the Senator would be willing to consider in conference sewer infrastructure funding for Michigan projects. The need to invest in sewer infrastructure is an urgent one facing the people of Michigan and the Army Corps of Engineers is in a position to address that need. The Army Corps has had many success stories throughout the country in assisting communities in upgrading their sewer infrastructure. I would greatly appreciate the Committee's assistance in protecting water quality in Michigan by addressing this problem.

Mr. REID. We recognize the need to upgrade our aging infrastructure to protect water quality throughout the Nation. I can assure my friend that we will carefully consider his request in conference if indeed the Conference committee is able to fund construction new starts and environmental infrastructure projects at conference, as we have done in the past.

Mr. LEVIN. I thank my friend from Nevada and the committee for their hard work in putting together this important legislation.

SOUTH DAKOTA WATER PROJECTS

Mr. JOHNSON. I thank the Senator from Nevada for his leadership and cooperation in providing funding in the fiscal year 2002 Energy and Water Appropriations bill for key South Dakota rural water projects and priorities. As chairman of the Energy and Water Subcommittee, he has provided funding above the President's request and the House approved level for the Mni Wiconi Rural Water Project and the Mid-Dakota Rural Water Project. Moreover, the Senator funded other important water projects in South Dakota such as the Lewis and Clark Rural Water System. Indeed, his commitment will benefit many South Dakotans.

Mr. REID. I say to my colleague from South Dakota that I appreciate his efforts to work with me on this bill. As a new member of the Senate Appropriations Committee, I know the Senator is a leader in advocating increased investments for rural water projects in your State. I also understand the importance of rural water projects to the citizens of South Dakota and I look forward to continued cooperation on these and other priorities.

Mr. JOHNSON. I thank the Senator from Nevada for his assistance and recognition of South Dakota's rural water needs. Despite the high priority given to provide funding for these South Dakota water projects, two critical items remain important to me as the Senate works to complete action on the FY02 Energy and Water Appropriations bill in its upcoming conference with the House of Representatives.

First, the Mid-Dakota Rural Water Project is in need of an increase in funding to ensure the timely delivery of safe, clean, and affordable water to citizens and communities served by that project. Second, the James River Water Development District—a subdivision of State government in South Dakota—requires funding to complete an Environmental Impact Statement on authorized projects along the James River watershed before the JRWDD can commence continued channel restoration and improvements authorized by section 401(b) of the Water Resources Development Act of 1986 (100 Stat. 4128).

I respectfully request the Chairman's committing to review opportunities in conference committee negotiations on the FY02 Energy and Water Appropriations bill to consider additional funding for the Mid-Dakota Rural Water System and to consider funding for the JRWDD to complete an EIS.

Mr. REID. I express to Senator JOHNSON my desire to consider opportunities in conference committee negotiations on the FY02 Energy and Water Appropriations bill to increase funding for the Mid-Dakota Rural Water Project and to fund the James River Water Development District in South Dakota.

Mr. JOHNSON. I thank the Senator.

ESTUARY RESTORATION ACT

Mr. CHAFEE. Mr. President, I would like to engage the managers of he fiscal year 2002 Energy and Water Development Appropriations bill on the issue of funding for the Estuary Restoration Act. Along with Senators WARNER, LIEBERMAN, and SMITH of New Hampshire, I have offered an amendment that would provide $2 million in funding for the implementation of the Estuary Act. Enacted last year, this bipartisan law establishes the Estuary Habitat Restoration Program with the goal of restoring one million acres of estuary habitat. We understand the budgetary constraints that the Appropriations Committee is operating under as this bill is being considered by the Senate. It is my hope that the managers can identify funding for the implementation of the Estuary Restoration Act during the conference with the House.

Mr. DOMENICI. I commend Senators CHAFEE, WARNER, LIEBERMAN, and SMITH of New Hampshire for their dedication to the issue. I will work with my colleagues during the conference with the House to identify potential sources of funding for the Estuary Restoration Act.

Mr. REID. I concur with Senator DOMENICI. There is no objection on this side of the aisle to the Senator from Rhode Island's request.

Mr. CHAFEE. I thank the Senators and look forward to working with the committee to provide funding for the restoration of our Nation's important estuary environments.

SMALL WIND PROJECTS

Mr. JEFFORDS. Mr. President, I thank my colleague from Nevada, Senator REID, for recognizing the important role small wind projects play in our energy future. As my colleague knows, the State of Vermont has been looking at the use of small wind projects. I appreciate the efforts of my colleague to provide $500,000 for a small wind project in Vermont.

Mr. REID. Small wind projects are an important source of energy for rural areas that often are not connected to the electricity grid. Both Vermont and Nevada have a number of these areas that benefit from this reliable, sustainable, clean source of energy.

Mr. JEFFORDS. To ensure that these systems, which have power capacities of less than 100 kilowatts, continue to play an important role, the committee recognized the need for a set aside for small wind programs. It is correct that the committee believes that not less than $10 million shall be made available for new and ongoing small wind programs?

Mr. REID. This is correct. The committee believes this research is important, and the Department of Energy should set aside no less than $10 million for these programs.

Mr. JEFFORDS. I thank my colleague for his support of these important small wind energy projects, and I thank him for has continued leadership in making sure that renewable energy will be a large part of our energy mix.

TRANSMISSION RELIABILITY

Mr. DORGAN. Mr. President, I rise to express my strong support for the electric energy systems and storage program that funds transmission reliability. Improving the reliability of our Nation's transmission system is absolutely critical. I note that while the President's budget request substantially cuts funding for this critical program, the Senate has increased the funding from approximately $52 million last year to $71 million this year. Transmission reliability is critical to ensure that our nation's electricity supply actually reaches states and, ultimately, the homes and businesses where it is needed. We have seen in California, New York, and elsewhere, that when we don't have sufficient supply and transmission capacity, we experience blackouts and brownouts that have significant detrimental impacts on our economy.

We need to use this money to test new technologies—specifically Composite Conductor wire—that have the ability to dramatically increase the efficiency of existing transmission wires. This type of wire eliminates the need for new wires, new rights-of-way, and new construction, which eliminates siting and permitting problems and related potential environmental impacts. We need to actually test this wire in different climatic and weather conditions to determine the efficacy of using this technology on a larger scale. To this end, I would suggest to the Subcommittee that it provide funds to actually conduct field tests to achieve these objectives.

Mr. REID. I agree that we need to conduct such field tests. I know that the Senator from North Dakota would like a field test in North Dakota, which would be extremely valuable, with the State's cold and wind conditions, to help determine the effectiveness of this technology. I will work with the Senator in conference to address his request to test this technology in the field.

RENEWABLE ENERGY RESEARCH

Mr. ALLARD. Mr. President, I thank the Senator from Nevada, and I commend him for his efforts to promote the advancement and progress of renewable energy sources that will help to address our energy challenges. He has been a leader of these efforts, which are bearing real fruit.

This bill actually increases renewable energy research, development and deployment programs for fiscal year 2002 by $60 million over last year. These increases will help speed the deployment of these cutting-edge technologies.

But because the House had not fully funded certain solar R&D programs, the committee put its emphasis for solar programs on those programs that had not fared as well in the other

Chamber. These programs, the Concentrating Solar Power program, and the Solar Buildings program with its innovative Zero Energy Buildings initiative, are now on solid footing. But the photovoltaics program, the program that has led to dramatic advances in those solar electric panels that we see popping up on the roofs of homes and businesses across the country—this program was not fully funded by the Committee. Much of this funding goes to the National Renewable Energy Lab in Golden, Colorado.

I understand the committee hopes to accept the House number for PV programs in conference, and I just want to give the Senator from Nevada an opportunity to speak to this issue.

Mr. REID. I thank the Senator from Colorado. Yes, it is our intention to seek the House funding level for photovoltaics in conference, and push for our funding level for CSP and solar buildings. All three solar programs deserve increases from the current fiscal year, and we intend to see this through in conference. I thank the Senator for his work on this issue and for being a friend of clean, renewable energy programs.

METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT

Mr. CLELAND. I thank the distinguished Senator from Nevada for his leadership on the Appropriations Energy and Water Subcommittee. I would like to ask the Senator from Nevada whether I am correct in my understanding that the reason the Metropolitan North Georgia Water Planning District, a project that was one of my highest priorities because of its importance to the people of my State and its priority with the Governor of Georgia, was not included in the Energy and Water Appropriations Subcommittee report was because of the subcommittee's policy made pursuant to budgetary constraints that new start construction and/or environmental infrastructure water projects will not be addressed until the Energy and Water Development Appropriations Act is considered in conference committee?

Mr. REID. The Senator from Georgia is correct.

Mr. CLELAND. Am I also correct in my understanding that when the Energy and Water Development Appropriations Act is considered by the conference committee that the Metropolitan North Georgia Water Planning District Project will be considered for inclusion in the conference report?

Mr. REID. The Senator is correct that the Metropolitan North Georgia Water Planning District project will be considered for inclusion in the Energy and Water Development Appropriations Act conference report. I will make every effort to accommodate my colleague.

CONSORTIUM FOR PLANT BIOTECHNOLOGY RESEARCH

Mr. CLELAND. Mr. President, is the senator from Nevada aware of an entity called the Consortium for Plant Biotechnology Research, a national consortium of industries, universities and federal laboratories that together support research and technology transfers?

Mr. REID. Yes, I am aware of the consortium and am familiar with the good work and significant achievements that the consortium has produced for the Department of Energy in the past.

Mr. CLELAND. I understand that the committee was unable to include it in the Solar Renewable Account during its consideration of the energy and water development appropriations bill.

Mr. REID. Yes, I believe that is correct.

Mr. CLELAND. As the energy and water development bill moves into conference, I hope the Senate can identify additional funds in the Solar and Renewable Account or another appropriate research account for the consortium so that it can continue its important work.

Mr. REID. The Senate will do all it can to find these funds for the consortium as we work with the House conferees on the bill.

Mr. ALLARD. I commend my colleague from Georgia, Senator CLELAND, for his work on behalf of the consortium and state my support for the allocation of funding for the consortium in the energy and water development appropriations bill in conference. The consortium, of which the university of Colorado is a member, has an astounding record of obtaining private sector matching support for its research activities and has done an amazing job of commercializing its research product. For every dollar invested in the consortium, $2.20 worth of research has been conducted with private sector matching funds—an impressive 120 percent private sector match. Additionally, the consortium has managed to commercialize its research within an average of three years, compared to an industry average of about 10 years. Again, I would like to state my support for funding for this unique and efficient national research institution.

Mr. REID. The committee is award of the good work the consortium has produced with department of Energy funding over the past decade. The Senate will do its best to try and identify funding for the consortium while in conference with the House.

GAS COOLED REACTOR SYSTEMS

Mr. STEVENS. Mr. President, as some Members may be aware, I have supported the development of gas cooled reactor systems, both small and large, for the provision of electric power and useful heat for our cities. As currently envisioned, gas cooled reactors will be meltdown proof, create substantially less radioactive waste and will be more efficient than our current generation of reactors.

Currently, the Department of Energy is funding a joint U.S.-Russian effort to develop the Gas Turbine Modular Helium Reactor for the purpose of burning up surplus Russian weapons plutonium. This tremendously successful swords to plowshares project is making great technical progress and employs more than 500 Russian weapons scientists and nuclear engineers.

Although the GT–MHR unit built in Russia will be primarily for burning plutonium, that same meltdown proof reactor type can be easily converted into a uranium burning commercial reactor for use around the globe. Indeed, the Appropriations Committee's report notes that ''the United States must take full advantage of the development of this attractive technology for a possible next generation nuclear power reactor for United States and foreign markets''.

However, the committee's bill does not explicitly provide any dollars for the commercialization of the GT–MHR design.

The senior Senator from New Mexico is a leader in nuclear energy and research. I want to ask my good friend, the Ranking Member of the Energy and Water Subcommittee, the following question regarding the commercialization of the GT–MHR: the ''Nuclear Energy Technologies'' account in the bill provides $7 million for Generation IV reactor development and for further research on small, modular nuclear reactors. Given that the federal government is already making a substantial investment on the GT–MHR for nonproliferation purposes, and given the near-term promise of this reactor, doesn't it make sense that at least one-half of the $7 million provided be used by the Department of Energy for GT–MHR commercialization efforts?

Mr. DOMENICI. I thank my friend from Alaska for his observations and for his question. As the Senator knows, I too am a great fan of the development of the GT–MHR in Russia and indeed, I was the Senator that initiated the first Federal funding for this program. The question is a fair one and I will have to say that his observations and the conclusion he draws from them are correct. I agree that a substantial portion of the $7 million in funding should indeed be put to good use in commercializing the GT–MHR which is being designed with great cost-effectiveness and success in Russia.

Mr. STEVENS. I thank my good friend from New Mexico for his response. Small modular reactors which are of great potential importance to rural areas and hence of great interest to me. Last year, at my request, Congress provided $1 million for the Department of Energy to study the feasibility of small modular nuclear reactors for deployment in remote locations. That report is now done and in brief, the Department of Energy has concluded that such reactors are not only feasible, but may eventually be a very desirable alternative for many remote communities without access to clean, affordable power sources.

Importantly, one of the most desirable remote reactor types the Department examined was a reduced sized

version of the GT–MHR called the Remote Site Modular Helium Reactor. Given the outstanding characteristics of this remote reactor as identified in the Department's report and given that the Department is already developing the basic technology via the Russian program, I believe the Department of Energy should focus on further developing the RS–MHR in the upcoming year.

I thank the Senator from New Mexico.

NEW YORK-NEW JERSEY HARBOR NAVIGATION

Mr. SCHUMER. Mr. President, there are currently three major federally authorized and sponsored navigation projects under construction in the Port of New York and New Jersey and a fourth in the preconstruction, engineering, and design phase. The projects that would deepen the Arthur Kill Channel to 41 feet, the Kill van Kull Channel to 45 feet, the Port Jersey and New York Harbor channels to 41 feet, are being built. An overarching project called the New York-New Jersey Harbor Navigation project which would take these channels to 50-feet depths is in PED.

These projects are staggered in this fashion only because of the order in which they were authorized. I would ask my colleague from New Jersey if there is any other reason for this segmentation.

Mr. TORRICELLI. There certainly is no policy reason. In fact, each constituent project has passed a cost-benefit analysis, each has been shown to be in the federal interest, and each is subject to the appropriate cost-share consistent with Water Resource Development Act policy. The Port Authority of New York and New Jersey will fund the non-Federal share of each of these projects.

Since the Harbor Navigation Project was authorized last year, the Army Corps and the Port Authority have been working to formulate a plan that would allow these projects to be managed as one in order to provide time and cost savings. They have recently concluded that doing this could result in as much as $400 million in savings to the Federal Treasury.

But in order to achieve that savings, it is important that we begin looking at joint management of these projects as soon as possible. I ask the distinguished Chairman, if Senators CORZINE, CLINTON, SCHUMER and myself can demonstrate that the Army Corps could achieve substantial future Federal savings by jointly managing all four of these projects, would he assist us in our efforts to secure conference report language that would allow the Corps to manage these projects in this manner?

Mr. REID. I would say to my friends, the Senators from New York and New Jersey, that I am appreciative of their desire to reduce the cost of major Army Corps projects. They know as well as I do that the Corps has a $40 plus billion backlog of authorized projects. I am concerned about a few aspects of this request, however. I am concerned that this request would have effects on the WRDA cost-share policy, which requires greater non-federal contributions for navigation projects that go deeper than 45 feet. I would not want the Army Corps to conclude that it could apply the cost-shares for the Kill van Kull, Arthur Kill, or Port Jersey project to the effort to bring about 50-foot channel depths, which require a larger non-federal contribution. I hope the Senators would understand that, as a member of the Senate Environment and Public Works Committee, I could not support appropriations language that would undermine the WRDA policy or the committee's jurisdiction.

Mr. SCHUMER. I would respond to my friend, the distinguished chairman, that the report language we seek will be consistent with the WRDA policy regarding the appropriate cost-share for navigation project. I would also say that we intend to secure the Army Corps' support as well as that of the Senate Environment and Public Works Committee Chairman. We are merely raising this issue tonight because we have not been able to settle this matter yet, and need some additional time.

Mr. REID. In the interest of constructing these projects as quickly as possible and with the greatest savings to the American taxpayer, I would respond to my colleague that we will be happy to consider any such conference report language. I urge him to get it to us as soon as possible.

Mr. TORRICELLI. On behalf myself and the Senator from New York, I thank the chairman.

MIXED OXIDE FUEL

Mr. HOLLINGS. Mr. President, I drafted an amendment to the FY02 Energy and Water Subcommittee to delay plutonium shipments to the Savannah River Site until the administration solidifies its commitment to South Carolina to treat weapons-grade material and move them off-site. I understand this may be viewed as an extreme measure, but the result of budget cuts to Fissile Materials Disposition programs by DOE forced the NNSA to abandon a concurrent dual track approach for plutonium disposition and to substitute a risky ''layered'' approach. Despite administration briefings and testimony before Congress, there remain serious concerns about the disposition strategy contemplated by DOE and significant risk to South Carolina to store these materials for an extended duration, maybe indefinitely, before they are processed.

I fully understand the DOE-wide implications of delaying the closing of Rocky Flats and empathize with my colleague from Colorado's keen interest in closing the site. South Carolina, and other DOE-site states, have been instrumental in assisting Colorado in meeting DOE milestone to close the site ahead of schedule. South Carolina should have a definite timetable for treating waste on site and an identified pathway out, too, just like Colorado. I am pleased to have the commitment of my colleagues from the Armed Services Committee to assist in addressing the outstanding issues with the fissile materials disposition program. I look forward to working with my colleagues on this issue.

Mr. THURMOND. I join my colleague, Senator HOLLINGS, and express my concern regarding recent developments in the Plutonium Disposition Program. I thank him for bringing this discussion to the floor today.

The Plutonium Disposition Program, particularly the Mixed Oxide Fuel Program is of critical importance to our Nation. There are invaluable national security aspects, including the counter-proliferation mission. In addition, the MOX program can be an important factor in addressing our Nation's energy needs.

I have had many conversations with administration officials on this matter. I received personal assurances from the Secretary of Energy, who stated MOX is his ''highest nonproliferation priority.'' Yet I am still concerned the administration is not fully committed to the Plutonium Disposition Program, leaving South Carolina as a dumping ground for our Nation's surplus nuclear weapons material.

Mr. HOLLINGS. I thank the Senator for his remarks. I would appreciate Senator THURMOND'S views on MOX as a primary option for plutonium disposition. Would you also agree that South Carolina should also be provided a concurrent back-up option to MOX?

Mr. THURMOND. I thank the Senator for his question. While MOX should be the primary disposition option, I do agree there should be a backup plan for disposing surplus plutonium. I will work with my colleagues to require the administration to guarantee a back-up plan.

Mr. HOLLINGS. I thank the Senator. I would inquire of my colleague on his views on the cost of not proceeding. Would the Senator agree that not dealing with the existing stockpiles of nuclear materials and oxides found at DOE industrial and research sites will ultimately cost more than the construction of the MOX facility and the Plutonium Immobilization Plant?

Mr. THURMOND. The Senator is correct, the status quo simply does not make fiscal sense. It is my understanding that the cost of the two plants together is less than the cost of current storage requirements, over a comparable time period. In fact, according to a November 1996 DOE report entitled ''Technical Summary for Long Term Storage of Weapons-Useable Fissile Materials,'' building and operating the MOX plant over a 50-year period, is over $1 billion less than the costs of maintaining the current infrastructure.

Mr. ALLARD. I thank my good friend, Senator HOLLINGS, for allowing me to speak on matter and for compromising on his amendment regarding plutonium disposition. As the Senator

knows, I was opposed to his original amendment and glad to see that a compromise has been reached regarding this very important issue of fissile materials disposition. The Senator's original amendment would have prohibited any funding for the transportation of surplus U.S. plutonium to the Savannah River Site until a final agreement was concluded for primary and secondary disposition activities.

All members with a DOE site located in their State understand how sensitive these issues are to our constituents. But we also understand the importance of the nationwide integration of sites to ensure that DOE can continue to meet all its needs and requirements.

Representing Colorado and Rocky Flats, I was concerned that this amendment could have delayed the shipment of plutonium to SRS by at least 1 year, delaying the scheduled 2006 closure date, costing at least $300 million a year. As the ranking member of the Strategic Subcommittee on the Armed Services Committee, I was concerned that this amendment could have interrupted the delicate balance of integration between all the sites by delaying shipments from Lawrence Livermore National Laboratory, Hanford, the Mound Site in Ohio to SRS, possibly triggering a chain reaction by other sites to deny SRS waste.

However, I definitely understand South Carolina's concerns regarding the ability of SRS to properly dispose of DOE surplus plutonium. To my colleagues from South Carolina, I strongly support the establishment of a Mixed Oxide Fuel facility at SRS and will do all I can to assist in establishing some form of backup capability at the site as well.

As one member who is sensitive to these concerns, I pledge to work with my South Carolina colleagues on this very important issue, not only for South Carolina, but also for the sake of the entire DOE complex.

I admire Senator HOLLINGS' persistence on this matter and for working with all of us who had concerns. I pledge to work not only with all members who have a DOE site to ensure a smooth and workable integration of sites regarding the treatment and disposal of waste. As chairman and ranking member of the Strategic Subcommittee of the Armed Services Committee, Senator REED and I will have an opportunity to address the plutonium disposition program as part of the FY02 National Defense Authorization Bill. I again thank the Senator for this opportunity to express my concerns and gratitude.

Mr. REED. I thank my colleagues from South Carolina for raising this very important issue. I also want to commend my colleague from Colorado for working with senators from South Carolina on this matter. As the chairman of the Strategic Subcommittee of the Armed Services Committee, I am very interested in ensuring that DOE sites are closed in a timely manner and that the waste is treated and disposed of properly. I want to assure my colleagues that the Strategic Subcommittee will carefully examine this issue as the Senate Armed Services Committee considers the Fiscal Year 2002 Defense Authorization bill.

Mr. MCCAIN. Mr. President, the Energy and Water Development Appropriations bill is important to the Nation's energy resources, improving water infrastructure, and ensuring our national security interests. Let me first commend the managers of this bill, the distinguished Chairman Senator REID and Ranking Member Senator DOMENICI, for their hard work in completing the Senate bill in order to move the appropriations process forward.

The bill provides funding for critical cleanup activities at various sites across the country and continues ongoing water infrastructure projects managed by the Army Corp of Engineers and the Bureau of Reclamation. The bill also increases resources for renewable energy research and nuclear energy programs that are critical to ensuring a diverse energy supply for this Nation.

These are all laudable and important activities, particularly given the energy problems facing our Nation. While I have great respect for the work of my colleagues to complete the committee recommendations for the agencies funded in this bill, I am also disappointed that the appropriators have once again failed to abide by a fair and responsible budget process by inflating this bill with porkbarrel spending. Unfortunately, my colleagues have determined that their ability to increase energy spending is just another opportunity to increase porkbarrel spending.

This bill is 5.8 percent higher than the level enacted in fiscal year 2001, which is greater than the 4 percent increase in discretionary spending that the President wanted to adhere to.

In real dollars, this is $2.4 billion in additional spending above the amount requested by the President, and $1.4 billion higher than last year. So far this year, with just two appropriations bills considered, spending levels have exceeded the president's budget request by more than $3 billion.

A good amount of this increase is in the form of parochial spending for unrequested projects. In this bill, I have identified 442 separate earmarks totaling $732 million, which is greater than the 328 earmarks, or $300 million, in the Senate bill passed last year.

I have no doubt that many of my colleagues will assert the need to expend Federal dollars for their hometown Army Corps projects or to fund development of biomass or ethanol projects in their respective States. If these projects had been approved through a competitive, merit-based prioritization process or if the American public had a greater voice in determining if these projects are indeed the wisest and best use of their tax dollars, then I would not object.

The reality is that very few people know how billions of dollars are spent in the routine cycle of the appropriations process. No doubt, the general public would be appalled that many of the funded projects are, at best, questionable—or worse, unauthorized, or singled out for special treatment because of politics.

This is truly a disservice to the American people who rely on the Congress to utilize prudent judgement in the budget approval process.

Let me share a few examples of what the appropriators are earmarking this year: additional $10 million for the Denali Commission, a regional commission serving only the needs of Alaska; $200,000 to study individual ditch systems in the state of Hawaii; earmark of $300,000 for Aunt Lydia's Cove in Massachusetts; $300,000 to remove aquatic weeds in the Lavaca and Navidad Rivers in Texas; $3 million for a South Dakota integrated ethanol complex; $2 million for the Sealaska ethanol project; two separate earmarks, totaling $5 million, for gasification of Iowa Switch Grass; additional $2.7 million to pay for electrical power systems, bus upgrades and communications in Nevada; $500,000 to research brine waste disposal alternatives in Arizona and Nevada; and, $9.5 million to pay for demonstrations of erosion control in Mississippi.

These are just a few examples from the 24-page list of objectionable provisions I found in this bill and its accompanying report.

As I learned during the consideration of the Interior appropriations bill when my efforts failed to cut wasteful spending for a particular special interest project, an overwhelming majority of my colleagues accept and embrace the practice of porkbarrel spending.

I respect the work of my colleagues on the appropriations committee. However, I do not believe that the Congress should have absolute discretion to tell the Army Corps or the Bureau of Reclamation how best to spend millions of taxpayer dollars for purely parochial projects.

I repeat my conviction that our budget process should be free from such blatant and rampant porkbarrel spending. Unfortunately, to the detriment of American taxpayers, the practice of porkbarrel spending has advanced at light-speed in the last decade and shows no sign of abating.

Just look at the numbers.

We have witnessed an explosion of unrequested projects passed by Congress in the last decade. According to the Office of Management and Budget, there were 1,724 unrequested projects in 1993; 3,476 in 2000; and 6,454 unrequested projects this fiscal year.

We all know the direction this spending train is going. Come October, spending bills will be piled-up, frantic negotiations will ensue, a grand deal will be struck, and guess what? Those spending caps we were supposed to abide by will just fade away.

I hope I am wrong.

Mr. BIDEN. Mr. President, I rise to voice my strong support for the Material Protection, Control, and Accounting, or MPC&A, program managed by the Department of Energy to better secure and protect nuclear weapons and materials in the former Soviet Union. I want to strongly urge the House-Senate conference committee for this bill to increase the funding for this important initiative. I call upon the Senate conferees to join with our House colleagues in supporting a $190 million funding level for fiscal year 2002.

The MPC&A program is often referred to as the first line of defense in safeguarding Russian nuclear materials against potential diversion or theft. From the mundane, such as installing barbed wire fences around sites, to more sophisticated measures like implementing computerized material accounting systems to keep track of nuclear materials, the MPC&A program helps ensure that rogue regimes and terrorist groups do not have access to the most dangerous byproducts of the cold war.

Let me make clear that this program has been considered an enormous success. Various studies and reports have confirmed the cost effectiveness of this program. Simply put, it benefits both Russia and the United States, as well as all the other former members of the Soviet Union.

But our current efforts may not be enough. A high-level bipartisan level headed by former Majority Leader Howard Baker and Lloyd Cutler declared earlier this year:

> While the security of hundreds of tons of Russian material has been improved under the MPC&A Program, comprehensive security upgrades have covered only a modest fraction of the weapons-usable material. There is no program yet in place to provide incentives, resources, and organizational arrangement for Russia to sustain high levels of security.

The Baker-Cutler panel goes on to recommend $5 billion in improvements and upgrades to the MPC&A program over the next 8 to 10 years to accomplish these objectives.

That may be too ambitious an objective given our current budget environment. At the very least, the Baker-Cutler report points to the need to build upon, not cut back, existing funding for the MPC&A program. In testimony before the Foreign Relations Committee in March, Senator, and now Ambassador, Baker offered a personal concern:

> I am a little short of terrified at some of the storage facilities for nuclear material and nuclear weapons; and relatively small investments can yield enormous improvements in storage and security. So, from my standpoint, that is my first priority.

I share his well-grounded fear, and I hope my colleagues in both houses will recognize the vital benefits that the MPC&A program contributes to our national security.

Mr. THURMOND. Mr. President, I am pleased to rise in support of Energy and Water Development Appropriations Act for fiscal year 2002. I believe the Senate has addressed these very complex matters appropriately.

As we all know, this bill funds many significant projects. Of particular significance to me is the critical funding this bill provides for the clean-up activities at our Nation's Department of Energy nuclear weapons sites and more specifically the Savannah River Site (SRS) in my hometown of Aiken, SC. I was disappointed by the administration's proposed budget for these activities, and have indicated so publicly on numerous occasions. At SRS alone, the fiscal year 2002 request was almost $160 million less than the previous year. This bill provides an additional $181 million for these crucial cleanup activities and should ensure that SRS will stay on schedule to meet its future regulatory commitments to the State of South Carolina as well as the Environmental Protection Agency.

While I am supportive of most elements of this bill there were some issues which concerned me. Specifically, the report which accompanies this bill included a directive that the Department of Energy transfer the Accelerator for the Production of Tritium (APT) project from the Office of Defense Programs within the National Nuclear Security Administration (NNSA) to the Office of Nuclear Energy, Science and Technology for inclusion in the Advanced Accelerator Applications office.

I disagree with this proposal and will oppose such a move. First and foremost, this is an appropriations bill, not an authorization. The APT program was authorized in section 3134 of the Defense Authorization Act for fiscal year 2000 as a defense program. I wholeheartedly support exploring additional scientific, engineering research, development and demonstrations with this superb technology and I believe this work may yield dramatic advances. However, APT is and should remain a Defense Program. Last year, the Department established a new Accelerator Development effort. This office is ''Co-Chaired'' by the NNSA's Office of Defense Programs and the Department of Energy's Office of Nuclear Energy, Science and Technology. I have no objections of combining efforts at the Department of Energy where appropriate, however, the primary mission of the APT is, as defined by law, to serve as a backup source of tritium for our nation's strategic arsenal.

Finally, I would like to discuss the Fissile Materials Disposition Programs as discussed in the bill. This bill correctly describes the excess weapons grade plutonium in Russia as a ''clear and present danger to the security of United States. . . .'' I believe it is in the best interest of all Americans to move forward with this program expeditiously. I am further pleased that the administration fully funded the Mixed Oxide Fuel Fabrication Facility to be constructed at the Savannah River Site. Unfortunately, I have recently heard some troubling stories regarding the commitment of the White House to this important program.

The New York Times ran a story this Monday, July 16, 2001 entitled ''U.S. Review on Russia Urges Keeping Most Arms Control,'' which greatly concerned me.

According to the article, while most of the programs initiated in the previous Administration will be retained, ''the White House plans to overhaul a hugely expensive effort to enable Russia and the United States to each destroy 34 tons of stored plutonium. . . .'' Mr. President, what the White House is discussing here is the Mixed Oxide Fuel Program, known as MOX. This facility is planned for the Savannah River Site.

As you likely already know, the MOX program has an invaluable counter-proliferation mission. Thanks to an agreement with the Russian Government, signed last year, the MOX program will help take weapons grade plutonium out of former Soviet stockpiles, and will also divert such materials from potentially falling into the hands of rogue nations, terrorists, or criminal organizations. In and of itself, this clearly makes the MOX program worth every penny. Earlier this year I asked Secretary of Energy Abraham where he stands on this program and he responded that MOX is his ''highest nonproliferation priority.''

Beyond the important national security aspects of this program there are many domestic issues which must be considered in evaluating this program. From the standpoint of providing a much needed source of energy, MOX makes good sense. Presently, there are quite literally tons of surplus nuclear weapons materials stored throughout the Department of Energy (DOE) industrial complex that could be processed in our MOX facility and reintroduced as a fuel for commercial nuclear reactors. Here is the beauty of this program, once MOX is burned in selected reactors it is gone for good. It cannot be used for weapons ever again and there is no more need for storage.

Furthermore, I am convinced that not dealing with the existing stockpiles of nuclear materials and oxides that are found at the six DOE industrial and research sites will ultimately cost substantially more than the construction of the MOX facility. According to the previously mentioned news article, ''the administration insists it is still exploring less expensive options.'' According to a November 29, 1996 DOE report entitled Technical Summary for Long Term Storage of Weapons-Useable Fissile Materials, the costs of maintaining the current infrastructure far exceeds the costs of building and operating the MOX plant according to the current plan. According to the report, the cost for storage of plutonium in constant 1996 dollars is estimated to be approximately ''$380 million per year and the operating cost

for 50 years of operation at approximately $3.2 billion. The cost is insensitive to where the plutonium is stored at any one of the four sites.'' The status quo simply does not make fiscal sense.

Perhaps the most critical domestic consideration regarding the MOX program is that it creates a ''path out'' for materials currently being stored at SRS and awaiting processing as well as those materials that could be shipped to the site and processed there in the future. South Carolina agreed to accept nuclear materials shipments into SRS based on the understanding that an expeditious ''pathway out'' would exist. Canceling the Plutonium Disposition Program eliminates the ''path out.'' Neither I nor anyone else who represents South Carolina at the Federal or State level is willing to see the Savannah River Site become the de facto dumping ground for the nation's nuclear materials. If the ''path out'' for these materials disappears, then the ''path in'' to the Savannah River Site is likely to become muddy. That is bad for cleanup nationwide.

Ambassador Howard Baker and Mr. Lloyd Cutler reached a series of conclusions in their recent report from the Russia Task Force, any one of which justifies aggressive support for the MOX program. However one statement struck me as particularly poignant. Specifically, as stated in the report, ''the national security benefits to U.S. citizens from securing and/or neutralizing the equivalent of more than 80,000 nuclear weapons and potential weapons would constitute the highest return on investment in any current U.S. national security and defense program.''

I am concerned by the signals coming from the White House. I intend to ask President Bush to publicly support this initiative and put an end to my concerns as well as those of my colleagues and all of the states involved.

In closing, this is a good bill and I am pleased to support it.

Mr. President, I ask unanimous consent to print the New York Times article in the RECORD.

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

[From the New York Times, July 16, 2001]

U.S. REVIEW ON RUSSIA URGES KEEPING MOST ARMS CONTROLS

(By Judith Miller with Michael R. Gordon)

A Bush administration review of American assistance to Russia has concluded that most of the programs aimed at helping Russia stop the spread of nuclear, chemical and biological weapons are vital to American security and should be continued, a senior administration official says. Some may even be expanded.

But the White House wants to restructure or end two programs: a $2.1 billion effort to dispose of hundreds of tons of military plutonium and a program to shrink Russian cities that were devoted to nuclear weapons development, and to provide alternative jobs for nuclear scientists, the official said in an interview on Friday. Both these programs have been criticized in Congress.

The review also calls for a shift in philosophy from ''assistance to partnership'' with Russia.

To do that, the official said, Russia would have to demonstrate a willingness to make a financial and political commitment to stop the spread of advanced conventional weapons and to end its sale of nuclear and other military-related expertise and technology to Iran and other nations unfriendly to the United States.

One administration official said the issue of how to handle Russia's sales of sensitive technology and expertise not only to Iran, Iraq, Libya and others hostile to America was being considered separately by the White House. No decisions have been made yet.

But on those issues, it would be ''hard to create a partnership if we think that Russia is proliferating,'' this official added. ''It's not a condition; it's a fact of life.''

Administration officials said the recommendation to extend most Administration officials said the recommendation to extend most nonproliferation programs was not conditioned upon Russian acquiescence to the administration's determination to build a nuclear missile shield.

The review covered 30 programs with an annual outlay of some $800 million. They are a cornerstone of America's scientific and military relationship with Russia. The programs, involving mostly the Pentagon, the Energy Department and the State Department, pay for the dismantling of weapons facilities and the strengthening of security at sites where nuclear, chemical and biological weapons are stored.

President Bush is expected to discuss some of these programs when he meets with President Vladimir V. Putin next weekend. That meeting, in Genoa, Italy, is expected to focus on American plans to build the missile shield, which the Americans admit would violate a longstanding treaty between the two nations.

The administration's endorsement of most of the nonproliferation programs begun by the Clinton administration will not surprise most legislators, given that the administration is now trying to avoid being portrayed as single-minded on national security matters in its pursuit of a missile shield, and as unresponsive to European support for arms control.

Officials said that although cabinet officials had discussed the review's findings, no final decisions on the recommendations would be made until Congress reacted to the proposals. The administration has begun arranging to brief key legislators on the results of its review, which began in April and was conducted by an expert on Russia on loan from the State Department to the National Security Council office that deals with nonproliferation strategy. That office is headed by Bob Joseph.

In interviews, administration officials said the White House would not overlook Russian efforts to weaken the programs by restricting access to weapons plants or by erecting obstacles to meeting nonproliferation commitments. ''We have a high standard for Russian behavior,'' one official said.

The review has concluded that most of the $420 million worth of the Pentagon's programs—called Cooperative Threat Reduction—are ''effectively managed'' and advance American interests.

The White House also intends to expand State Department programs that help Russian scientists engage in peaceful work through the Moscow-based International Science and Technology Center, which the European Union and Japan also support, and other institutions.

But some big-ticket programs whose budgets have already been slashed or criticized on Capitol Hill are likely to be shut down or ''refocused,'' the official said.

Though it is no longer very expensive, another program, the Nuclear Cities Initiative, has already been scaled back by Congress. It was begun in 1998 to help create nonmilitary work for Russia's 122,000 nuclear scientists and to help Russia downsize geographically and economically isolated nuclear cities, where 760,000 people live.

Unhappy with both the cost and the Russian reluctance to open these cities.

Unhappy with both the cost and the Russian reluctance to open these cities fully to Western visitors, Congress has repeatedly slashed money for the program. Under the Bush review, the undefined ''positive aspects'' would be merged into other programs, and most of the program closed.

The Clinton administration had begun the program to provide civilian work for Russia's closed nuclear cities. The aim was to prevent nuclear scientists there from leaving for Iraq, Iran and other aspiring nuclear powers. Under the program, the Russians would also have to expedite the closure of two warhead-assembly plants and their conversion to civilian production.

''The administration will be missing an opportunity to shut down two warhead production plants if it abandons the Nuclear Cities Initiative,'' said Rose Gottemoeller, a senior Energy Department official during the Clinton administration. The administration says Russia plans to close those two facilities in any event.

The White House also intends to overhaul a hugely expensive effort to enable Russia and the United States each to destroy 34 tons of stored plutonium by building facilities in Russia and the United States. The program, as currently structured, will cost Russia $2.1 billion and the United States $6.5 billion, at a minimum. The administration has pledged $400 million and has already appropriated $240 million.

In February 2000, the Clinton administration wrested a promise from Russia to stop making plutonium out of fuel from its civilian power reactors as part of a research and aid package. While Russia was supposed to stop adding to its estimated stockpile of 160 tons of military plutonium by shutting down three military reactors last December, Moscow was unable to do so because the reactors, near Tomsk and Krasnoyarsk, provide heat and electricity to those cities.

Critics said the original program was too costly and was not moving forward. But supporters say the Bush administration should try harder to solicit funds from European and other governments before shelving the effort and walking away from the accord.

The administration insists it is still exploring less expensive options.

The administration has also deferred a decision on a commitment to help Russia build facilities to destroy 40,000 tons of chemical weapons, the world's such stockpile. The first plant has been completed at Gorny, 660 miles southeast of Moscow, but American assistance to build a second plant at Shchuchye, 1,000 miles southeast of Moscow, has been frozen by Congress.

Many legislators have complained that the Russian have not fully declared the total and type of chemical weapons they made, and that they have put up too little of their own money for the project.

In February, however, Russia announced that it had increased its annual budget for destroying the weapons sixfold, to $105 million, and presented a plan to begin operating the first of three destruction plants. The administration official said this reflected a ''significant change'' in Russia's attitude towards commitments that ''could have an impact on our thinking'' about the program.

The Russians hope to destroy their vast chemical stocks by 2012, a deadline.

The Russians hope to destroy their vast chemical stocks by 2012, a deadline that will require that they obtain a five-year extension. But Moscow will not be able to meet even that deferred deadline unless construction begins soon for a destruction installation at Shchuchye.

The Clinton administration, after Congress slashed funds for the project, lined up support from several foreign governments.

Elisa Harris, a research fellow at the University of Maryland and a former specialist on chemical weapons for President Clinton's National Security Council, said the destruction effort could falter unless the Bush administration persuaded Congress to rescind the ban and finally support the program.

Commenting on the review, Leon Fuerth, a visiting professor of international affairs at George Washington University and the national security adviser to former Vice president Al Gore, said, ''By and large they are going to sustain what they inherited, which is good for the country.''

But the senior Bush administration official said the review did not endorse the Clinton approach. This administration, he said, is determined to ''establish better and more cost-efficient ways'' of achieving its nonproliferation goals and integrating such programs into a comprehensive strategy toward Russia. He said the White House planned to form a White House steering group ''to assure that the programs are well managed and better coordinated.''

The PRESIDING OFFICER. Are there further amendments?

Mr. DOMENICI. Mr. President, I have no further amendments. I thank the seven members of the staff on both sides who worked diligently on a very complicated bill. On Senator REID's staff: Drew Willison, Roger Cockrell, Nancy Olkewicz; members of my staff: Tammy Perrin, Jim Crum, Camille Anderson, and Clay Sell.

The Senator's staff has been a pleasure to work with, and I hope mine has. I thank you for the pleasantries and the way we have been able to work this bill out.

Mr. REID. Not only the staff has been a pleasure to work with, but you have been a pleasure to work with.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nevada (Mr. ENSIGN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—97

Akaka	Dorgan	Lugar
Allard	Durbin	McConnell
Allen	Edwards	Mikulski
Baucus	Enzi	Miller
Bayh	Feingold	Murkowski
Bennett	Feinstein	Murray
Biden	Fitzgerald	Nelson (FL)
Bingaman	Frist	Nelson (NE)
Bond	Graham	Nickles
Boxer	Gramm	Reed
Breaux	Grassley	Reid
Brownback	Gregg	Roberts
Bunning	Hagel	Rockefeller
Burns	Harkin	Santorum
Byrd	Hatch	Sarbanes
Campbell	Helms	Schumer
Cantwell	Hollings	Sessions
Carnahan	Hutchinson	Shelby
Carper	Hutchison	Smith (NH)
Chafee	Inhofe	Smith (OR)
Cleland	Inouye	Snowe
Clinton	Jeffords	Specter
Cochran	Johnson	Stabenow
Collins	Kennedy	Stevens
Conrad	Kerry	Thomas
Corzine	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
Daschle	Leahy	Warner
Dayton	Levin	Wellstone
DeWine	Lieberman	Wyden
Dodd	Lincoln	
Domenici	Lott	

NAYS—2

McCain	Voinovich

NOT VOTING—1

Ensign

The bill (H.R. 2311), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. REID. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I move that the Senate insist on its amendment, request a conference with the House, and the Chair be allowed to appoint conferees on the part of the Senate, with no intervening action or debate.

The motion was agreed to and the Presiding Officer (Mr. CORZINE) appointed Mr. REID, Mr. BYRD, Mr. HOLLINGS, Mrs. MURRAY, Mr. DORGAN, Mrs. FEINSTEIN, Mr. HARKIN, Mr. DOMENICI, Mr. COCHRAN, Mr. MCCONNELL, Mr. BENNETT, Mr. BURNS, and Mr. CRAIG conferees on the part of the Senate.

Mr. REID. Mr. President, I asked, along with Senator DOMENICI, the Chair to appoint conferees, which the Chair did. We would like to add to the conferees Senators INOUYE and STEVENS. I ask unanimous consent that Senators INOUYE and STEVENS be added to the list of conferees on the energy and water appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. It is the intention of the majority leader now to move to the Graham nomination. The leader indicated there will be a number of votes tonight.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I inquire what the parliamentary situation is.

The PRESIDING OFFICER. There is no business pending at this time.

THE NOMINATION OF ROGER WALTON FERGUSON, JR.

Mr. SARBANES. Mr. President, I want to speak briefly with respect to the nomination of Roger W. Ferguson to the Board of Governors of the Federal Reserve System. I understand later today at the appropriate time we will be taking up the Ferguson nomination. As I understand it that will be after the Graham nomination. This seems an opportune time to take a moment or two because, presumably, at the time we vote people may be in somewhat of a hurry to draw our business to a conclusion.

The nomination of Roger Ferguson was reported out of the Banking Committee on July 12 with one dissenting vote in the committee. He is currently a member of the Federal Reserve Board. This would be for another term on the Board, a reappointment. He was nominated for another term by President Clinton in 1999, but action was not taken on that nomination so it simply remained pending, although he continued under the applicable rules that govern membership on the Board of Governors, to serve on the Board. In the first part of this year, President Bush resubmitted his nomination to the Senate for membership on the Board of Governors of the Federal Reserve System for a term of 14 years, which is the standard term for members of the Board of Governors.

I simply want to say to my colleagues that we think Mr. Ferguson has done a fine job as a member of the Board of Governors of the Federal Reserve System. He has assumed a number of areas of prime responsibility in the workings of the Board. We think of the Board primarily in terms of its monetary policy decisions, but of course the Board has a whole range of other responsibilities that affect the financial system of the country. There are many day-to-day responsibilities.

Roger Ferguson has been an integral part of the Board's activities. He is spoken of very highly by those who watch the Board and by the members of the Board themselves, including the Chairman. He has also assumed a special responsibility to work on the question of diversity in the Federal Reserve System in terms of its employment and membership practices. In fact, at his hearing we asked him some questions on that subject on the basis of a communication we had received from members of the minority caucuses in the House of Representatives. He was quite forthcoming in his responses and underscored the effort they were making

in this area at the Federal Reserve. In response to these questions, he undertook to once again carefully review and examine Board policy and to intensify their efforts to ensure more diversity in the workings of the Federal Reserve System.

I urge his confirmation to my colleagues. I very much hope, when he comes before us for a vote, we will have very strong support for his reappointment to the Federal Reserve System.

We need to get these members into place at the Federal Reserve Board because there are a couple of vacancies there.

One of the Board of Governors also announced his intention to retire. The President has announced his intention to nominate a couple of members. Those nominations have not yet been sent to us, thus we have not yet received them.

In an effort to keep the Board of Governors of the Federal Reserve in sufficient number, I urge my colleagues to approve the Ferguson nomination when it comes before us later tonight.

I yield the floor.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF JOHN D. GRAHAM OF MASSACHUSETTS TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET

Mr. DASCHLE. Mr. President, we are still attempting to come to some resolution about the sequencing of other legislative priorities for the balance of the week. Until that time, under a prior agreement, the Senate had the understanding that we would move to the consideration of the John Graham nomination, Calendar No. 104.

Pursuant to that agreement, I ask unanimous consent that the Senate now move to executive session to consider Calendar No. 104, the nomination of John Graham to be the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget, and that immediately following the consideration of Calendar No. 104, pursuant to the agreement, we consider Calendar No. 223, the nomination of Roger Walton Ferguson to be a member of the Board of Governors of the Federal Reserve for a term of 14 years.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read the nomination of John D. Graham of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.

Mr. DASCHLE. Mr. President, for the information of Senators interested in the schedule this evening, it is our intention to complete the debate on the two nominations. I know of no interest in debate on the Ferguson nomination, but there is, of course, debate on the Graham nomination.

Following completion of debate on the nominees, it is my expectation and determination to move to the legislative branch appropriations bill, and that would be the final piece of business to be completed tonight.

Tomorrow, it is my hope—and this matter has yet to be completely resolved—that we move to three judicial nominations and then proceed to the Transportation appropriations bill. We will have more to say about that later in the evening.

For now, I hope we could begin the debate on the Graham nomination.

UNANIMOUS CONSENT AGREEMENT—H.R. 2299

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Appropriations Committee be discharged from consideration of H.R. 2299 and that the Senate then proceed to its consideration; that once the bill is reported, Senator MURRAY be recognized to offer the text of S. 1178 as a substitute amendment; that no further amendments be in order during today's session; that once the action has been completed, the bill be laid aside until Friday, July 20; the Senate resume consideration of the bill upon returning to legislative session, following any rollcall votes with respect to the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. I thank my colleagues. For the information of our colleagues, Senator MURRAY will now be recognized simply to lay down the Transportation bill, and we will proceed then immediately to the Graham nomination.

The PRESIDING OFFICER. The Senator from Washington.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2299) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

Mrs. MURRAY. Mr. President, I send an amendment to the desk in the nature of a substitute.

AMENDMENT NO. 1025

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 1025.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. Under the previous order, the measure will be set aside.

NOMINATION OF JOHN D. GRAHAM OF MASSACHUSETTS TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET—Resumed

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I rise in support of the nomination of Dr. John Graham for the position of Administrator of OMB's Office of Information and Regulatory Affairs.

On May 23, the Governmental Affairs Committee reported the nomination of Dr. Graham with a vote of 9–3 or 11–4, if you count proxies. The bipartisan vote included Republican members of the committee, as well as Senators LEVIN, CARPER, and CARNAHAN. I urge my colleagues on both sides of the aisle to join us in support of the confirmation of Dr. Graham.

The Office of Information and Regulatory Affairs, or OIRA, as we will refer to it, was established in 1980 by the Paperwork Reduction Act, legislation developed to address policy issues that Congress was concerned were being neglected by the executive branch. OIRA is primarily charged with being a leader on regulatory review, reducing unnecessary paperwork and red tape, improving the management of the executive branch, reviewing information policy, and guiding statistical policy proposals.

The decisions and actions of the OIRA administrator are very important to the public and should be made by a particularly capable and dedicated individual. John Graham fits this profile.

John Graham has been a professor of policy and decision sciences at the Harvard School of Public Health since 1985. He is the founder and director of the Harvard Center for Risk Analysis. He has worked with various Federal agencies through his research, advisory committees, and as a consultant. He holds a bachelor's degree in public affairs from Duke University and a Ph.D. in urban and public affairs from Carnegie Mellon University with an emphasis on decision sciences.

In addition, the EPA funded his postdoctoral fellowship in environmental science and public policy, and he completed course work in research training and human health risk assessment.

In 1995, Dr. Graham was elected president of the International Society

for Risk Analysis, a membership organization of 2,000-plus scientists, engineers, and scholars dedicated to advancing the tools of risk analysis.

We have received testimonials attesting to the credentials and integrity of Dr. Graham from hundreds of esteemed authorities in the environmental policy, health policy, and related fields. William Reilly, the former Administrator of EPA, said that ''over the years, John Graham has impressed me with his vigor, his fair-mindedness, and integrity.''

Dr. Lewis Sullivan, former Secretary of the Department of Health and Human Services said that ''Dr. Graham is superbly qualified to be the IORA administrator.''

Former OIRA Administrators from both Democratic and Republican administrations have conveyed their confidence that John Graham is not an opponent of all regulation but, rather, he is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.

Dr. Robert Leiken, a respected expert on regulatory policy at the Brookings Institution, stated that Dr. Graham is the most qualified person ever nominated for the job of OIRA Administrator.

About 100 scholars in environmental and health policy and related fields joined together to endorse John Graham's nomination stating:

> While we don't always agree with John or, for that matter, with one another on every policy issue, we do respect his work and his intellectual integrity. It is very regrettable that some interest groups that disagree with John's views on the merits of particular issues have chosen to impugn his integrity by implying that his views are for sale rather than confronting the merits of his argument. Dialog about public policy should be conducted at a higher level.

Having dealt with this nomination for many months, I think that quote really hits the nail on the head. Some groups oppose Dr. Graham because they don't agree with his support for sound science and better regulatory analysis. But they have chosen to engage in attacks against him instead of addressing the merits of his thinking.

It is especially unfortunate since this nominee has done so much to advance an important field of thought that can help us achieve greater environmental health and safety protection at less cost.

While some groups oppose the confirmation of Dr. Graham, I believe their concerns have been addressed and should not dissuade the Senate from confirming Dr. Graham. For example, Joan Claybrook, the President of Public Citizen, has charged that Dr. Graham's views are antiregulation. Yet Dr. Graham's approach calls for smarter regulation based on science, engineering, and economics, not necessarily less regulation. He has shown that we can achieve greater protections than we are currently achieving.

Opponents have charged that Dr. Graham is firmly opposed to most environmental regulations. In fact, Dr. Graham and his colleagues have produced scholarships that supported a wide range of environmental policies, including toxic pollution control at coke plants, phaseout of chemicals that deplete the ozone layer, and low-sulfur diesel fuel requirements. Dr. Graham also urged new environmental policies to address indoor pollution, outdoor particulate pollution, and tax credits for fuel-efficient vehicles.

Dr. Graham believes that environmental policy should be grounded in science, however, and examined for cost-effectiveness. Dr. Graham and his colleagues have also developed new tools for chemical risk assessment that will better protect the public against noncancer health effects, such as damage to the human reproductive and immune systems.

Dr. Graham's basic regulatory philosophy was adopted in the Safe Drinking Water Act amendments of 1996, a life-saving law that both Democrats and Republicans overwhelmingly supported, including most of us here today.

Critics have claimed that Professor Graham seeks to increase the role of economic analysis in regulatory decisionmaking and freeze out intangible and humanistic concerns. This is inaccurate. In both of his scholarly writings, and in congressional testimony, Professor Graham rejected purely numerical monetary approaches to cost-benefit analyses. He has insisted that intangible contributions, including fairness, privacy, freedom, equity, and ecological protection be given way in both regulatory analysis and decisionmaking.

Dr. Graham and the Harvard Center have shown that many regulatory policies are, in fact, cost-effective, such as AIDS prevention and treatments; vaccination against measles, mumps, and rubella; regulations on the sale of cigarettes to minors; enforcement of seatbelt laws; the mandate of lead-free gasoline; and the phaseout of ozone-depleting chemicals.

Critics also claimed that Professor Graham's views are extreme because he has indicated that public health resources are not always allocated wisely under existing laws and regulations. Yet this is not an extreme view. It reflects the thrust of the writings on risk regulation by Justice Stephen Breyer, for example—President Clinton's choice for the Supreme Court—as well as consensus statements from diverse groups such as the Carnegie Commission, the National Academy of Public Administration, and the Harvard Group on Risk Management Reform.

Professor Graham made crystal clear at his confirmation hearing that he will enforce the laws of the land, as Congress has written them. He understands that there is significant differences between the professor's role of questioning all ways of thinking and the OIRA Administrator's role of implementing the laws and the President's policy. I believe Dr. Graham will make the transition from academia to Government service smoothly, and that he will use his valuable experience to bring more insight to the issues that confront OIRA every day.

A fair review of the deliberations of the Governmental Affairs Committee, and the entire record, lead me and many of my colleagues to conclude that Dr. John Graham has the qualifications and the character to serve the public with distinction.

A respected professor at the University of Chicago put it this way. He says:

> John Graham cannot be pigeonholed as conservative or liberal on regulatory issues. He is unpredictable in the best sense. I would not be surprised at all if in some settings he turned out to be a vigorous voice for aggressive governmental regulation. In fact, that is exactly what I would expect. When he questions regulations, it is because he thinks we can use our resources in better ways. It is because he thinks that we can use our resources in ways that do not necessarily meet the eye. On this issue, he stands as one of the most important researchers and most promising public servants in the Nation.

I urge prompt confirmation of John Graham.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, before beginning my remarks, I would like to have a clarification, if I can, as to the allocation of time in this debate.

The PRESIDING OFFICER. There is 1 hour under the control of Mr. LIEBERMAN, 3 hours under the control of Mr. THOMPSON, 2 hours under the control of Mr. DURBIN, 2 hours under the control of Mr. WELLSTONE, and 15 minutes under the control of Mr. KERRY.

Mr. DURBIN. I thank the Chair. Madam President, I rise to speak in opposition to the nomination of John Graham for the position of Administrator for the Office of Information and Regulatory Affairs at OMB.

This is a rare experience for me. I think it is the first time in my Senate career, in my congressional career, where I have spoken out against a nominee and attempted to lead the effort to stop his confirmation. I do this understanding that the deck is not stacked in my favor. Many Members of the Senate will give the President his person, whoever it happens to be, and that is a point of view which I respect but disagree with from time to time. I also understand from the Governmental Affairs Committee experience that the Republican side of the aisle—the President's side of the aisle—has been unanimous in the support of John Graham, and that is understandable, both out of respect for the nominee and the President himself.

Having said that, though, the reason I come to the floor this evening and the reason I asked for time in debate is because I believe this is one of the most

dangerous nominations that we are going to consider—dangerous in this respect: Although the office which Mr. John Graham seeks is obscure by Washington standards, it is an extremely important office. Few people are aware of the Office of Information and Regulatory Affairs and just how powerful the office of regulatory czar can be. But this office, this senior White House staff position, exercises enormous authority over every major Federal regulation the Government has under consideration. Because of this, the OIRA Administrator must have a commitment to evenhandedness, objectivity, and fair play in analyzing and presenting information about regulatory options.

Do you often sit and wonder, when you hear pronouncements from the Bush White House, for example, on arsenic in drinking water and increasing the acceptable level of arsenic in drinking water, who in the world came up with that idea? There might be some business interests, some industrial and corporate interests, who have a specific view on the issue and have pushed it successfully in the administration. But somebody sitting in the Bush White House along the way said: That sounds like a perfectly sound idea. And so they went forward with that suggestion.

Of course, the public reaction to that was so negative that they have had time to reconsider the decision, but at some time and place in this Bush White House, someone in a position of authority said: Go forward with the idea of allowing more arsenic in drinking water in the United States.

I do not understand how anyone can reach that conclusion at all, certainly not without lengthy study and scientific information to back it up, but it happened. My fear is, John Graham, as the gatekeeper for rules and regulations concerning the environment and public health, will be in a position to give a thumbs up or a thumbs down to suggestions just like that from this day forward if he is confirmed.

I think it is reasonable for us to step back and say: If he has that much power, and we already have seen evidence in this administration of some rather bizarre ideas when it comes to public health and the environment, we have a right to know what John Graham believes, what is John Graham's qualification for this job, what is his record in this area? That is why I stand here this evening.

I want to share with my colleagues in the Senate and those who follow the debate the professional career of Mr. John Graham which I think gives clear evidence as to why he should not be confirmed for this position.

Let me preface my remarks. Nothing I will say this evening, nothing I have said, will question the personal integrity of John Graham. I have no reason to do that, nor will I. What I will raise this evening relates directly to his professional experience, statements he has made, views he holds that I think are central to the question as to whether or not we should entrust this important and powerful position to him.

Some in the Governmental Affairs Committee said this was a personal attack on John Graham. Personal in this respect: I am taking his record as an individual, a professional, and bringing it to the Senate for its consideration. But I am not impugning his personal integrity or his honesty. I have no reason to do so.

I assumed from the beginning that he has done nothing in his background that will raise questions along those lines. I will really stick this evening to things he has said in a professional capacity, and in sticking to those things, I think you will see why many have joined me in raising serious questions about his qualifications.

On the surface, John Graham strikes some of my colleagues in the Senate as possessing the qualities of objectivity and evenhandedness we would expect in this position. He is seen by many as eminently qualified for the position. After all, he is a leading expert in the area of risk analysis and has compiled a lengthy list of professional accomplishments.

I have heard from colleagues on both sides of the aisle, whom I respect, that they consider him the right man for the job. So I think it is important for me this evening to spell out in specific detail why I believe that is not the case, why John Graham is the wrong person to serve as the Nation's regulatory czar.

Professor Graham's supporters painted a picture of him as evenhanded and objective. They say he supports environmental regulations as long as they are well drafted and based on solid information. My colleague, the Senator from Tennessee, said as much in his opening statement.

A casual glance at Dr. Graham's record may lead one to conclude this is an accurate portrayal. As they say, the devil is in the details. A careful reading of the record makes several things absolutely clear: Dr. Graham opposes virtually all environmental regulations. He believes that many environmental regulations do more harm than good. He also believes that many toxic chemicals—toxic chemicals—may be good for you. I know you are wondering, if you are following this debate, how anyone can say that. Well, stay tuned.

John Graham favors endless study of environmental issues over taking actions and making decisions—a classic case of paralysis by analysis. Dr. Graham's so-called objective research is actually heavily influenced by policy consideration, and he has had a built-in bias that favors the interest of his industrial sponsors.

He has been connected with Harvard University, and that is where his analysis has been performed, at his center. He has had a list of professional clients over the years.

Madam President, I ask unanimous consent that this list of clients be printed in the RECORD.

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

UNRESTRICTED GRANTS TO THE HARVARD CENTER FOR RISK ASSESSMENT

3M.
Aetna Life & Casualty Company.
Air Products and Chemicals, Inc.
Alcoa Foundation.
American Automobile Manufacturers Association.
American Chemistry Council.
American Crop Protection Association.
American Petroleum Institute.
Amoco Corporation.
ARCO Chemical Company.
ASARCO Inc.
Ashland Inc. Foundation.
Association of American Railroads.
Astra AB.
Astra-Merck.
Atlantic Richfield Corporation.
BASF.
Bethlehem Steel Corporation.
Boatmen's Trust.
Boise Cascade Corporation.
BP America Inc.
Cabot Corporation Foundation
Carolina Power and Light.
Cement Kiln Recycling Coalition.
Center for Energy and Economic Development.
Chevron Research & Technology Company.
Chlorine Chemistry Council.
CIBA-GEIGY Corporation.
Ciba Geigy Limited.
CITGO Petroleum Company.
The Coca-Cola Company.
Cytec Industries.
Dow Chemical Company.
DowElanco.
DuPont Agricultural Products.
Eastman Chemical Company.
Eastman Kodak Company.
Edison Electric Institute.
E.I. DuPont de Nemours & Company.
Electric Power Research Institute.
Emerson Electric.
Exxon Corporation.
FBC Chemical Corporation.
FMC Corporation.
Ford Motor Company.
Fort James Foundation.
Frito-Lay.
General Electric Fund.
General Motors Corporation.
The Geon Company.
Georgia-Pacific Corporation.
Glaxo-Wellcome, Inc.
The Goodyear Tire & Rubber Company.
Grocery Manufacturers of America.
Hoechst Celanese Corporation.
Hoechst Marion Roussel.
Hoffman-LaRoche Inc.
ICI Americas Inc.
Inland Steel Industries.
International Paper.
The James Riber Corporation Foundation.
Janssen Pharmaceutical.
Johnson & Johnson.
Kraft Foods.
Louisiana Chemical Association.
Lyondell Chemical Company.
Mead Corporation Foundation.
Merck & Company.
Microban.
Millenium Chemical Company.
Mobil Foundation, Inc.
Monsanto Company.
National Food Processors Association.
National Steel.
New England Power Service—New.
England Electric System.

Nippon Yakin Kogyo.
North American Insulation Manufacturers Association.
Novartis Corporation.
Novartis International.
Olin Corporation Charitable Trust.
Oxford Oil.
Oxygenated Fuels Association.
PepsiCo Inc.
The Pittston Company.
Pfizer.
Pharmacia Upjohn.
Potlatch Corporation.
Praxair, Inc.
Procter & Gamble Company.
Reynolds Metals Company Foundation.
Rhone-Poulenc, Inc.
Rohm and Haas Company.
Schering-Plough Corporation.
Shell Oil Company Foundation.
Texaco Foundation.
Union Carbide Foundation.
Unocal.
USX Corporation.
Volvo.
Westinghouse Electric Corporation.
Westvaco.
WMX Technologies, Inc.
Zeneca.
(Source: Harvard Center for Risk Assessment).

Mr. DURBIN. I thank the Chair. I will not go through all of the companies on this list. It reads like, as they say, a veritable list of who's who of industrial sponsors in America: Dow Chemical Company, all sorts of institutes, the Electric Power Research Institute, oil companies, motor companies, automobile manufacturers, chemical associations—the list goes on and on.

These corporate clients came to Professor Graham not to find ways to increase regulation on their businesses but just for the opposite, so that he can provide through his center a scientific basis for resisting Government regulation in the areas of public health and the environment.

I am an attorney by profession, and I understand that when there is balance in advocacy you have an objective presentation: Strong arguments on one side and strong arguments against, and then you try to reach the right conclusion. So I am not going to gainsay the work of Dr. Graham in representing his corporate clients over the years, but it is important for us to put this in perspective.

If Dr. Graham is appointed to this position, his clients will not be the corporations of America, his clients will be the 281 million Americans who count on him to make decisions in their best interest when it comes to environmental protection and protection of the health of their families.

When we look at his professional background, it raises a question about his objectivity. He has had little respect for the environmental concerns of most Americans—concerns about toxic chemicals in drinking water, pesticides in our food, or even the burial of radioactive waste. To John Graham, these are not major concerns. In fact, as you will hear from some of his statements that I will quote, he believes they reflect a paranoia in American culture.

Dr. Graham's supporters have taken issue with my categorizing his views as antiregulatory. They say, and it has been said on the floor this evening, John Graham supports environmental regulations: just look at the statements he has made about removing lead from gasoline. That was said this evening: John Graham supports removing lead from gasoline.

I certainly hope so. And my colleagues know, it is true, John Graham has stated clearly and unequivocally that he thought removing lead from gasoline was a good idea. Do my colleagues know when that decision was made? Decades before John Graham was in any position to have impact on the decision. It is a decision in which he had no involvement in any way whatsoever.

What has he done for the environment lately? What does he think of the recent crop of environmental regulations? On this matter, his opinions are very clear. According to John Graham, environmental regulations waste billions, if not trillions, of taxpayers' dollars. According to John Graham, our choice of environmental priorities actually kills people through a process Mr. Graham calls ''statistical murder,'' something that pops up in his work all the time.

According to John Graham, we should massively ship resources away from environmental problems such as toxic chemicals to more important activities that he has identified, such as painting white lines on highways and encouraging people to stop smoking.

This is a recent quote from Dr. Graham:

The most cost-effective way to save lives generally is to increase medical treatment, and somewhat second, to curb fatal injuries. Trying to save lives by regulating pesticides or other toxins generally used up a lot of resources.

I can recall during the time we were debating the potential of a nuclear holocaust, there was a man named Richard Perle in the Reagan administration who said he didn't think we should be that frightened because if we did face a nuclear attack, in his words, ''with enough shovels,'' we could protect ourselves.

When I read these words of Dr. Graham who says, ''The most cost-effective way to save lives generally is to increase medical treatment, and somewhat second, to curb fatal injuries,'' and then he says that ''regulating pesticides and toxins uses up a lot of resources'' can you see why I believe he has been dismissive of the basic science which he is going to be asked to implement and enforce in this office?

This quote is a little bit understated. In other documents, Mr. Graham refers to spending money on control of toxins as ''an outrageous allocation of resources.'' This captures the very heart of Graham's philosophy. Environmental regulations to control toxic chemicals are an enormous waste of resources, in the mind of John Graham. It makes little sense, according to Graham, to focus on environmental problems. Instead, we should use our scarce public policy dollars for other more important issues.

Why does John Graham hold such strong views opposing environmental regulations? Because he believes toxic chemicals just are not that toxic. Dr. Graham has said the so-called ''toxic chemicals'' may actually be good for us. I will read some of the transcript from his hearing on the whole question of dioxin.

Now, Dr. Graham supports these beliefs based on what he calls ''a new paradigm,'' the idea that there may well be an optimum dose for toxic chemicals or for other environmental hazards such as radiation. The idea behind this optimum dose theory is there is an exposure that is good for people in small amounts even if the chemical or radiation is harmful in larger quantities.

In a conference on this new paradigm at which Graham was a featured speaker, he urged his colleagues:

Advocates of the new paradigm need to move beyond empiricism to explanation if we can explain why low doses are protective, the prospects of a genuine scientific revolution are much greater.

A scientific revolution inspired by John Graham.

Well, the obvious question I had of Mr. Graham when he came to the Governmental Affairs Committee was as follows:

Mr. DURBIN: Dr. Graham, when I look at your resume, I'm curious; do you have any degrees or advanced training in the field of chemistry, for example?
Mr. GRAHAM: No, sir.
Mr. DURBIN: Biology?
Mr. GRAHAM: No, sir.
Mr. DURBIN: Toxicology?
Mr. GRAHAM: No.
Mr. DURBIN: What would you consider to be your expertise?
Mr. GRAHAM: I have a Ph.D. in public affairs from Carnegie Mellon, with an emphasis in the field of management science called ''decision science.'' At the School of Public Health, I teach analytical tools and decision science like risk assessment, cost-effective analysis, and cost-benefit analysis.
Mr. DURBIN: No background in medical training?
Mr. GRAHAM: No. I do have a postdoctoral fellowship funded by the Environmental Protection Agency where I studied human health risk assessment and had research experience in doing human health risk assessment on chemical exposures.
Mr. DURBIN: Does your lack of background in any of these fields that I have mentioned give you any hesitation to make statements relative to the danger of chemicals to the human body?
Mr. GRAHAM: I think I have tried to participate in collaborative arrangements where I have the benefit of people who have expertise in some of the fields that you have mentioned.
Mr. DURBIN: Going back to the old television commercial, ''I may not be a doctor but I play one on TV,'' you wouldn't want to assume the role of a doctor and public health expert when it comes to deciding the safety or danger over the exposure to certain chemicals, would you?
Mr. GRAHAM: Well, I think our center and I personally have done significant research

in the area of risk assessment of chemicals and oftentimes my role is to provide analytical support to a team and then other people on the team provide expertise, whether it be toxicology, medicine, or whatever.

The reason I raise this is there is no requirement that a person who takes this job be a scientist, a medical doctor, a chemist, a person with a degree in biology or toxicology. That is not a requirement of the job. And very few, if any, of his predecessors held that kind of expertise.

But when you consider carefully what Mr. Graham has said publicly in the field of science, you might conclude that he has much training and a great degree in the field.

That is not the case. He has held himself out time and again, and I will not go through the specifics here, and made dogmatic statements about science that cannot be supported. And he wants to be the gatekeeper on the rules and regulations of public health and the environment in America.

Mr. Graham is, as I said earlier, trying to create a scientific revolution but he acknowledges it is an uphill battle. Why do so few mainstream scientists buy into his theories? Because, says Graham, science itself has a built-in bias against recognizing the beneficial effects of low-dose exposures to otherwise dangerous chemicals such as dioxin.

Scientific journals don't like to publish new paradigm results. In his written works, Dr. Graham goes so far to say the current classification scheme used by the EPA and others to identify cancer-causing chemicals should be abolished and replaced with a scheme that recognizes that all chemicals may not only not cause cancer but may actually prevent cancer, as well.

Perhaps he opposes environmental regulation because he is so convinced that regulations generally do more harm than good. Some of this harkens back, of course, to his new paradigm, his scientific revolution. If we restrict toxic chemicals that are actually preventing, rather than causing, cancer, we wind up hurting, rather than helping, the population at large, according to Dr. Graham. Think about that. He is arguing that some of the things we are trying to protect people from we should actually encourage people to expose themselves to.

If he had scientific backing for this, it is one thing. He doesn't have the personal expertise in the area and very few, if any, come to rally by his side when he comes up with the bizarre views.

He argues environmental regulations hurt us in other ways. They siphon off resources from what he considers the real problem of society, and they introduce new risks of their own, so according to Dr. Graham the cure is worse than the disease. The side effects of environmental regulation are so problematic and many that he refers to them as ''statistical murder.'' Our environmental priorities are responsible for the statistical murder of tens of thousands of American citizens every year, according to Mr. GRAHAM.

Take his well-known example, and he has used it in writings of chloroform regulation. Mr. GRAHAM estimates that chloroform regulation costs more than $1 trillion to save a single life, $1 trillion. And he uses this in an illustration of how you can come up with a regulation that is so expensive you could never justify it—$1 trillion to save one life. What he doesn't say—and the EPA looked at his analysis—that cost of $1 trillion is over a period of time of 33,000 years. Just a little footnote that I think should have been highlighted. How can patently absurd numbers such as this make a contribution to cost-benefit consideration?

There is a bigger problem. The chloroform regulation he refers to doesn't exist and never did. I asked the Congressional Research Service to find out about this regulation on chloroform that Dr. Graham used as an example of statistical murder, where we will spend $1 trillion as a society to save one life. Find out where that took place.

Guess what. It doesn't exist. This is a hypothetical case study for an academic exercise. It is not a regulation. It was never proposed as a regulation nor was it ever considered seriously by anyone. Someone invented this scenario and John Graham seized on it as his poster child of how you can go to ridiculous extremes to protect people from environmental exposure.

Even when Dr. Graham studies the costs and benefits of actual environmental regulations, ones that are truly being considered, his controversial practice of ''discounting'' automatically trivializes the benefits of environmental regulation.

We have been through this debate in the Governmental Affairs Committee. There are people on the committee, Democrats and Republicans, who say—and I think this is a perfectly reasonable statement—before you put in a rule or regulation, find out what it is going to cost: What is the cost to society? What is the benefit? I think that is only reasonable. There are certain things we can do to save lives, but at such great expense, society could never bear that burden. The problem you have is in drawing up the statistics, in trying to quantify it, in saying what a life is worth and over what period of time.

Dr. Graham gets into this business and starts discounting human lives in exactly the same way economists and business advisers discount money. A life saved or a dollar earned today, according to Dr. Graham, is much more valuable than a life saved or a dollar earned in the future. Dr. Graham's so-called scientific results led him to conclude that when the Environmental Protection Agency says a human life is worth $4.8 million, by their calculations, they are 10 times too high. That is Dr. Graham's analysis.

How many of us in this Senate Chamber today can honestly say they agree with Dr. Graham's discounting the value of a human life to 10 percent of the amount we have used to calculate many environmental regulations? That is a starting point. If you are representing industrial clients who do not want to be regulated, who suggest environmental regulations and public health regulations are, frankly, outlandish, you start by saying lives to be saved are not worth that much.

Discounting may make sense when it comes to money, but it trivializes the value of human lives and the lives of our next generation and creates an automatic bias against environmental regulations meant to provide protections over a long period of time.

I will be the first to admit there are inefficiencies in our current environmental regulations, but Professor Graham's research hasn't found them. Instead, he consistently identified phantom costs of nonexistent regulations and for years referred to them as if they were the real cost of real environmental regulations. He has played a game with the facts for his purposes, for his clients. But when it comes to the OMB, in this capacity it will be the real world where decisions you make will literally affect the health and future of Americans and their families.

He has introduced misleading information that has really distorted many of the elements of an important policy debate. There are organizations that absolutely love research results that show billions of dollars being wasted by unnecessary environmental regulations—groups such as the Cato Institute, the Heritage Foundation, the American Enterprise Institute, all of whom have made ample use of Professor Graham's scientific studies, scientific revolution—statistical murder; results to strengthen their antiregulatory arguments.

To sum up Dr. Graham's belief, toxic chemicals can be good for you, environmental regulations can be very bad for you.

Not everyone accepts these beliefs, of course. What does Dr. Graham think of those with a different set of priorities? In his mind, it is a sign of collective paranoia, a sign of pervasive weakness and self-delusion that pervades our culture.

If you think I have overstated it, I think his own words express his sentiments more accurately. I would like to refer to this poster, quotes from Dr. Graham.

Interview on CNN, 1993:

We do hold as a society, I think, a noble myth that life is priceless, but we should not confuse that with reality.

Dr. Graham said that. Then:

Making sense of risk: An agenda for Congress in 1996.

John Graham said:

The public's general reaction to health, safety and environmental dangers may best be described as a syndrome of paranoia and neglect.

''Medical Waste News,'' that he has written for, in 1994:

. . . as we've grown wealthier, we've grown paranoid.

Testimony to the House Science Committee in 1995:

We should not expect that the public and our elected officials have a profound understanding of which threats are real and which are speculative.

So the very institution to which we are being asked to confirm this man's nomination has been really dismissed by John Graham as not having sound understanding of threats that are real.

Then he goes on to say, in Issues in Science and Technology, in 1997:

It may be necessary to address the dysfunctional aspects of U.S. culture. . . . The lack of a common liberal arts education . . . breeds ignorance of civic responsibility.

So John Graham can not only portray himself as a doctor, a toxicologist, a biologist, and a chemist, he can also be a sociologist and general philosopher. The man has ample talents, but I am not sure those talents will work for America when it comes to this important job.

I would like to take a look at two issues in detail to give a clearer picture of Dr. Graham's approach to environmental issues of great concern to the American people. I want to examine his record on pesticides and on dioxin. It is not unreasonable to believe if his nomination is confirmed that John Graham will consider rules and regulations relating to these two specific items, pesticides and dioxin.

The Food Quality Protection Act of 1996 passed Congress unanimously—and not just any session of Congress, the 104th Congress, one of the most contentious in modern history, a Congress that could hardly agree on anything. Yet we agreed unanimously to pass this important new food safety law. A key purpose of the law was to provide the public with better protection against pesticides. In particular, the law aimed to provide increased protections to our most vulnerable segment of the population, our children. President Clinton remarked that the Food Quality Protection Act would replace a patchwork of standards with one simple standard: If a pesticide poses a danger to our children, then it won't be in our food.

This groundbreaking legislation received the unanimous support of Congress. What does John Graham, Dr. John Graham, think about the importance of protecting our children from pesticide residues on food? Let me tell you what he said in his work.

The Food Quality Protection Act suffers from the same failings that mark most of our other environmental laws and regulations. Our attempts at regulating pesticides and food are a terrible waste of society's resources. We accept risks from other technologies like the automobile, why should we not accept risks from pesticides? When we regulate, or worse, when we ban pesticides, we often wind up doing more harm than good.

Let me tell you a case in point. I think it is an interesting one. It was a book which Mr. Graham wrote called ''Risk versus Risk.'' This is a copy of his cover. It was edited by John Graham and Jonathan B. Weiner.

I might also add the foreword was written by Cass Sunstein, who is a professor at the University of Chicago School of Law and has one of the letters of support which has already been quoted on the floor. He was a colleague of Mr. Graham, at least in writing the foreword to this book. This goes into the whole question of pesticides and danger. The thing I find curious is this. On page 174 of this book, Mr. Graham, who is asked to be in charge of the rules and regulations relative to pesticides, started raising questions about whether we made the right decision in banning DDT—banning DDT. He says:

Many of the organophosphate pesticides that have been used in place of DDT have caused incidents of serious poisoning among unsuspecting workers and farmers who had been accustomed to handling the relatively nontoxic DDT.

That is a quote—''relatively nontoxic DDT.''

I read an article the other day in the New Yorker which was about DDT and its discovery. Let me read a part of this article—I want to make sure of the sources quoted: Malcolm Gladwell, ''The Mosquito Killer,'' New Yorker, July 2, 2001. If I am not mistaken, that is the same gentleman who wrote the book ''The Tipping Point,'' which I found very good and recommend.

In his article about DDT, he says as follows:

Today, of course, DDT is a symbol of all that is dangerous about man's attempts to interfere with nature. Rachel Carson, in her landmark 1962 book ''Silent Spring,'' where she wrote memorably of the chemical's environmental consequences, how much its unusual persistence and toxicity had laid waste to wildlife in aquatic ecosystems. Only two countries, India and China, continue to manufacture the substance, and only a few dozen more still use it.

In May, at the Stockholm Convention on Persistent Organic Pollutants, more than 90 countries signed a treaty placing DDT on a restricted use list and asking all those still using the chemical to develop plans for phasing it out entirely. On the eve of its burial, however, and at a time when the threat of insect-borne disease seems to be resurging, it is worth remembering that people once felt very differently about DDT, and between the end of the Second World War and the beginning of the 1960s, it was considered not a dangerous pollutant but a lifesaver.

Mr. Gladwell, in this article, in summarizing the history of DDT, really points to the fact that those who have analyzed it around the world, with the exception of India and China—some 90 nations—abandoned it. John Graham, who wants to be in charge of the rules and regulations on pesticides, the environment, and public health, wrote:

It was relatively nontoxic.

This is a man who wants to make a decision about pesticides and their impact on the health of America.

According to Dr. Graham, it may have been an ill-advised decision to take DDT off the market. He cites in this book that I quoted how DDT was particularly effective in dealing with malaria. No doubt it was. But it was decided that the environmental impact of this chemical was so bad that countries around the world banned it.

Let me offer some direct quotes from Dr. Graham from various reports he has written over the years and from the many statements that he has made.

Before I do that, I see my colleague, Senator WELLSTONE, is in the Chamber. At this time, I would like to yield to him with the understanding that I can return and complete my remarks. I thank him for joining me this evening. I will step down for a moment and return.

I yield to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, I thank Senator DURBIN. I am very proud to join him. I have a lot of time reserved tonight. I say to colleagues who are here in the Chamber and who are wondering what our timeframe is that I can shorten my remarks.

I am speaking in opposition to the nomination of Mr. John Graham to be Administrator of the Office of Information and Regulatory Affairs, within the Office of Management and Budget.

I believe the President should have broad latitude in choosing his cabinet. I have voted for many nominees in the past with whom I have disagreed on policy grounds. I have voted for a number during this Administration, and I'm sure I will vote for more nominees with whom I disagree on policy, sometimes very sharply.

Mr. Graham has been nominated to a sensitive position: Administrator of the Office of Information and Regulatory Affairs (OIRA). In this role Mr. Graham would be in a position to delay, block or alter rules proposed by key federal agencies. Which agencies?

Let me give you some examples. One would be OSHA. This happens to be an agency with a mandate that is near and dear to my heart. Over the years, I have had the opportunity to do a lot of community organizing, and I have worked with a lot of people who unfortunately have been viewed as expendable. They do not have a lot of clout—political, economic, or any other kind. They work under some pretty uncivilized working conditions.

The whole idea behind OSHA was that we were going to provide some protection. Indeed, what we were going to be saying to companies—in fact, we did the same thing with environmental protection—is, yes, maximize your profits in our private sector system. Yes, organize production the way you choose to do. You are free to do it any way you want to, and maximize your profit any way you want to—up to the point that you are killing workers, up to the point that it is loss of limbs, loss of lives, harsh genetic substances, and people dying early of cancer. Then you can't do it. Thank God, from the point

of view of ordinary people, the Government steps in, I would like to say, on our side.

We had a perfect example of that this year in the subcommittee that I chair on employment, safety, and training. I asked Secretary Chao to come. She didn't come. I wanted to ask her about the rule on repetitive stress injury, the most serious problem right now in the workplace. It was overturned. The Secretary said she would be serious about promulgating a rule that would provide protection for the 1.8 million people, or thereabouts, who are affected by this. I wanted to know what, in fact, this administration is going to do.

So far it is really an obstacle.

As Administrator of OIRA, Mr. Graham can frustrate any attempt by OSHA to address 1.8 million repetitive stress injuries workers suffer each year, as reported by employers.

I will just say it on the floor of the Senate. I think it is absolutely outrageous that rule was overturned. I see no evidence whatsoever that this administration is serious about promulgating any kind of rule that would provide workers with real protection.

The Mine Safety and Health Administration, MSHA. The Louisville Courier Journal conducted a comprehensive investigation of illnesses suffered by coal miners due to exposure to coal dust—workers who are supposed to be protected by MSHA regulation. We urgently need vigorous action by MSHA.

As a matter of fact, I couldn't believe it when I was down in east Kentucky in Harlan and Letcher Counties. I met with coal miners. That is where my wife, Sheila, is from. Her family is from there. I hate to admit to colleagues or the Chair that I actually believed that black lung disease was a thing of the past. I knew all about it. I was shocked to find out that in east Kentucky many of these miners working the mines can't see 6 inches in front of them because of the dust problem.

Senator DURBIN's predecessor, Senator Simon, worked on mine safety. It was one of his big priorities.

Part of the problem is the companies actually are the ones that monitor coal dust. MSHA has been trying to put through a rule—we were almost successful in getting it through the last Congress—to provide these miners with some protection.

From the point of view of the miners, they don't view themselves as expendable.

The Food and Drug Administration regulates the safety of prescription drugs for children, for the elderly, for all of us. The Environmental Protection Agency (EPA) regulates pollution of the water and air. For example, EPA will determine what level of arsenic is acceptable in American drinking water. The Food Safety and Inspection Service (FSIS) is charged with the task of protecting us to the extent possible from salmonella, foot and mouth disease, BSE and other food-borne illnesses.

These and other important Federal regulatory agencies exist to protect Americans and to uphold standards that have been fought for and achieved over decades of struggle.

It is not true that people in Minnesota and people in the country are opposed to Government regulations on their behalf and on behalf of their children so that the water is not poisoned, so that the mines they work in are safe, so that the workplace they work in is safe, so that there are civilized working conditions, so that they don't have too much arsenic in the water their children drink, and so that the food their children eat is safe. Don't tell me people in Minnesota and in the country aren't interested in strong regulation on behalf of their safety and their children's safety.

The Administrator of OIRA must be someone who stands with the American public, someone who sees it as his or her mission to protect the public interest. In my view, John Graham's evident hostility to regulation that protects the public interest, in particular his over-reliance on tools of economic analysis that denigrate the value of regulatory protections, is disqualifying.

This is particularly troublesome when it comes to workplace safety, for example, because his approach flies in the face of statutory language requiring OSHA—again I am fortunate to chair the subcommittee with jurisdiction over OSHA—to examine the economic feasibility of its regulations, as opposed to undertaking the cost/benefit analyses upon which he over-relies.

As the Supreme Court noted in the so-called Cotton Dust Case, embedded in the statutory framework for OSHA is Congress' assumption ''that the financial costs of health and safety problems in the workplace were as large as or larger than the financial costs of eliminating these problems.'' Instead of cost/benefit analyses to guide standard setting, OSHA is statutorily bound to promulgate standards ''which most adequately assur[e], to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of his working life.''

In its 30 years of existence the Occupational Safety and Health Administration has made its presence felt in the lives of tens of millions of Americans at all levels of the workforce. OSHA and its related agencies are literally the last, best hope for millions of American workers whose lives would otherwise be put on the line, simply because they need to earn a paycheck. Experience has shown, over and over, that the absence of strong government-mandated safeguards results in workplace exposure to everything from odorless carcinogens to musculoskeletal stress to combustible grain dust to other dangers too numerous to mention.

Since its founding, hundreds of thousands of American workers did not die on the job, thanks to OSHA. Workplace fatalities have declined 50 percent between December of 1970 and December 2000, while occupational injury and illness rates have dropped 40 percent.

Not surprisingly, declines in workplace fatalities and injuries have been most dramatic in precisely those industries where OSHA has targeted its activities. For example, since OSHA came into existence, the manufacturing fatality rate has declined by 60 percent and the injury rate by 33 percent. At the same time, the construction fatality rate has declined by 80 percent and the injury rate by 52 percent.

It is not a coincidence that these two industries have received some of OSHA's closest attention. OSHA's role in assuring so far as possible that every worker is protected from on-the-job hazards cannot be denied.

Unfortunately, however, compared to the demand, there is still a whole lot of work to be done. Indoor air quality, hexavalent chromium, beryllium, permissible exposure limits for hundreds of chemicals in the workplace—this list goes on and on—not to mention repetitive stress injuries. The unfinished agenda is huge. It is precisely this unfinished agenda that should give us pause in confirming, as head of OIRA, someone whose entire professional history seems aimed at frustrating efforts to regulate in the public interest. That is my disagreement. It is a different framework that he represents than the framework that I think is so in the public interest.

Let me just give one example: the chromium story.

Chromium is a metal that is used in the production of metal alloys, such as stainless steel, chrome plating and pigments. It is also used in various chemical processes and it is a component of cement used to manufacture refractory bricks.

The first case of cancer caused by chromium was reported in 1890. Since then, the evidence that it causes cancer continued to grow. Chromium has been declared a carcinogen by the EPA, the National Toxicology Program, and the International Agency for Research on Cancer.

In the early 1980s, it was estimated that 200,000 to 390,000 workers were exposed to hexavalent chromium in the workplace—200,000 to 390,000. Lung cancer rates among factory workers exposed to hexavalent chromium are almost double the expected cancer rate for unexposed workers. Lung cancer rates for factory workers exposed to hexavalent chromium are also double the expected cancer rate for unexposed workers.

OSHA has known the risks associated with exposure to this dangerous carcinogen since its inception but has failed to act. OSHA's assessment, conducted by K.S. Crump Division of ICG Kaiser, was that between 9 percent and

34 percent of workers exposed at half the legal limit for a working lifetime would contract lung cancer as a result of this exposure.

On April 24, 2000, OSHA published its semiannual agenda, which anticipated a notice of proposed rulemaking would be published in June 2001. If confirmed as Administrator of OIRA within the Office of Management and Budget, however, John Graham's actions could affect OSHA's stated willingness to undertake a proposed rule this year, as the agency has finally promised and as is urgently needed.

I will finish by just giving a few examples of how Mr. Graham could negatively impact the process.

No. 1, reduce OSHA's ability to collect information in support of a new standard.

To develop a new hexavalent chromium standard, OSHA would likely need to survey scores of businesses for information about their use of the chemical and about workplace exposures. During the committee hearing on his nomination, Graham said that he supports requiring the federal agencies to do cost-benefit analyses of information requests sent to industry in preparation for a rulemaking. Under the Paperwork Reduction Act, before an information request can be sent to ten entities or more, it must be approved by OMB. Because it is very difficult to judge the value of the information being collected prior to receiving it, Graham could use the paperwork clearance requirement to tangle up the agency in justifying any information requests needed to support a new rule on chromium.

No. 2, insist upon a new risk assessment, despite compelling evidence that chromium poses a cancer risk.

OSHA has conducted its own risk assessment of chromium and reviewed numerous studies documenting that workers working with or around the chemical face considerable increased risk of lung cancer. But it is likely that Graham could exercise his power at OMB to require a new risk assessment of hexavalent chromium, which could further delay the issuance of a rule.

Graham has supported requiring every risk-related inquiry by the federal government to be vetted by a panel of peer review scientists prior to its public release, which would be costly and create significant delays in the development of new regulations. He has argued that the risk assessments done by the federal agencies are flawed, and that OMB or the White House should develop its own risk assessment oversight process. This would allow economists to review and possibly invalidate the findings of scientists and public health experts in the agencies.

No. 3, flunk any rule that fails a stringent cost-benefit test.

Graham is a supporter, for example, of strict cost-efficiency measures, even in matters of public health. Because he views regulatory choices as best driven by cost-based decisionmaking, the worthiness of a rule is determined at least partly by the cost to industry of fixing the problem. This is the opposite of an approach that recognizes that workers have a right to a safe workplace environment.

The OSHA mission statement is ''to send every worker home whole and healthy every day.''

Under the law as it now stands, OSHA is prohibited from using cost-benefit analysis to establish new health standards. Instead, OSHA must set health standards for significant risks to workers at the maximum level that the regulated industry, as a whole, can feasibly achieve and afford. This policy, set into law by the OSHA Act, recognizes the rights of workers to safe and healthful workplaces, and provides far more protection to workers than would be provided by any standards generated under a cost-benefit analysis.

Putting John Graham in the regulatory gatekeeper post would create a grave risk that OSHA protections, such as the hexavalent chromium standard, will not be set at the most protective level that regulated industry can feasibly achieve. We know from his own statements that John Graham will require OSHA to produce economic analyses that will use antiregulation assumptions, and will show protective regulations to fail the cost-benefit tests.

It is true that OSHA is technically authorized to issue standards that fail the cost-benefit test. However, it would be politically nearly impossible for an agency to issue a standard that has been shown, using dubious methodologies, to have net costs for society.

Unfortunately, although I would like nothing better than to be proven wrong, I fear this is not a farfetched scenario. And let there be no question—such steps would absolutely undermine Congress' intent when it passed the Occupational Health and Safety Act 30 years ago.

Let me quote again from the Supreme Court's Cotton Dust decision:

> Not only does the legislative history confirm that Congress meant ''feasible'' rather than ''cost-benefit'' when it used the former term, but it also shows that Congress understood that the Act would create substantial costs for employers, yet intended to impose such costs when necessary to create a safe and healthful working environment. Congress viewed the costs of health and safety as a cost of doing business. Senator Yarborough, a cosponsor of the [OSH Act], stated: ''We know the costs would be put into consumer goods but that is the price we should pay for the 80 million workers in America.''

There is one final point I want to make. I will tell you what really troubles me the most about this nomination. And let me just kind of step back and look at the bigger picture, which really gives me pause.

The essence of our Government—small ''d'' democracy—is to create a framework for the protection of the larger public as a whole. I believe in that. And I believe a majority of the people believe in that. It is the majority's commitment to protect the interests of those who cannot protect themselves that sets this great Nation apart from others. That is the essence of our democratic way of life. That is the core of this country's incredible heritage.

But there are a series of things happening here in the Nation's Capitol—stacked one on top of another—that fundamentally undermine the capacity of our Government to serve this purpose of being there for the public interest. I think we have a concerted effort on the part of this administration—and I have to say it on the floor of the Senate—and its allies to undermine the Government's ability to serve the public interest.

First, there was a stream of actual or proposed rollbacks of regulations designed to protect the health and well-being of the people of this country—arsenic in drinking water, global warming emissions, ergonomics—or repetitive stress injuries in the workplace, drilling in the wilderness, energy efficiency standards—it goes on and on.

Then there was the tax cut, making it absolutely impossible for us to protect Social Security and Medicare, or to do near what we should do for children or for the elderly, for the poor or for the vulnerable, for an adequate education or for affordable prescription drugs—no way—in other words, to fund Government, to do what Government is supposed to do, which is to protect the interests of those who cannot protect themselves.

And then, finally, the administration seeks to place in key gatekeeper positions individuals whose entire professional careers have been in opposition to the missions of the agencies they are now being nominated to advance.

I am troubled by this. I think people in the country would be troubled by this if they really understood John Graham's background and the power of his position and, unfortunately, the capacity not to do well for the public interest. This is unacceptable. This is a concerted, comprehensive effort to undermine our Government's ability to protect and represent the interests of those who don't have all the power, who don't have all the capital.

The goal is clear: Roll back the regulations that they can. That is what this administration is about: Defund government programs and place in pivotal positions those with the will and the determination to block new regulations from going forward—new regulations that will protect people in the workplace, new regulations that will protect our environment, new regulations that will protect our children from arsenic in the drinking water, new regulations that will protect the lakes and the rivers and the streams, new regulations that will make sure the food is safe for our children. This is not acceptable. We should say no. That is why I urge my colleagues to join me in defeating this nomination.

I include as part of my statement a letter in opposition from former Secretary of Labor Reich and other former agency heads.

I ask unanimous consent that the letter be printed in the RECORD.

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

MAY 17, 2001.

Re John D. Graham nomination.

Hon. FRED THOMPSON,
Chairman, Senate Governmental Affairs Committee,
Washington, DC.

Hon. JOSEPH I. LIEBERMAN,
Ranking Democrat, Senate Governmental Affairs Committee,
Washington, DC.

DEAR SENATORS: We write as former federal regulators in response to the nomination of John D. Graham, Ph.D., to direct the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB). As OIRA Administrator, Dr. Graham would oversee the development of all federal regulations and he would help shape federal regulatory policy. His decisions will have profound effects on the health, welfare, and environmental quality of all Americans. We are concerned by many of Dr. Graham's expressed views and past actions as Director of the Harvard Center for Risk Analysis, and encourage the committee to conduct a thorough investigation into Dr. Graham's suitability for this position.

Since the early 1980s, both Republican and Democratic Presidents have issued Executive Orders granting the OIRA Administrator exceptionally broad authority to approve, disapprove, and review all significant executive agency regulations. In addition, under the Paperwork Reduction Act, the OIRA Administrator has the responsibility to approve and disapprove agency information collection requests, which agencies need to evaluate emerging public health and environmental threats. These powers give the OIRA Administrator a considerable role in determining how important statutes are implemented and enforced.

In his written work and testimony before Congress, Dr. Graham has repeatedly argued for an increased reliance on cost-benefit and cost-effectiveness analysis in the regulatory process. We agree that economic analysis generally plays an important role in policy making. But increasing the role that economic analysis plays in rulemaking threatens to crowd out considerations of equal or perhaps greater importance that are harder to quantify and to put in terms of dollars—for example, what is the dollar value of making public spaces accessible so a paraplegic can participate fully in community activities? How should we quantify the worth of protecting private medical information from commercial disclosure? Why is the value of preventing a child from developing a future cancer worth only a small fraction of the value of preventing her from dying in an auto accident? How do you quantify the real value of a healthy ecosystem?

In addition, we are concerned that Dr. Graham may have strong views that would affect his impartiality in reviewing regulations under a number of statues. He has claimed that many health and safety statutes are irrational because they do not allow the agencies to choose the regulatory option that maximizes economic efficiency where doing so would diminish public protections. He has repeatedly argued, in his written work and testimony before Congress, that requirements to take the results of cost-benefit and cost-effectiveness analyses into account could supercede congressional mandates that do not permit their use, such as some provisions of the Clean Air Act. [John D. Graham, ''Legislative Approaches to Achieving More Protection Against Risk at Less Cost,'' 1997 Univ. of Chi. Legal Forum 13, 49.] It is important to assure that he can in good conscience carry out the will of Congress even where he has strong personal disagreements with the law.

We are also concerned about Dr. Graham's independence from the regulated community. At the Harvard Center for Risk analysis, Dr. Grahams' major source of funding has been from unrestricted contributions and endowments of more than 100 industry companies and trade groups, many of which have staunchly opposed the promulgation and enforcement of health, safety and environmental safeguards. At HCRA, Dr. Graham's research and public positions against regulation have often been closely aligned with HCRA's corporate contributors. In coming years these same regulated industries will be the subject of federal regulatory initiatives that would be intensively reviewed by Dr. Graham and OIRA. It is thus fair to question whether Dr. Graham would be even-handed in carrying out his duties, including helping enforce the laws he has criticized. Might he favor corporations or industry groups who were more generous to his Center? Will he have arrangements to return to Harvard? Is there an expectation of further endowments from regulated industries? There is the potential for so many real or perceived conflicts of interest, that this could impair his ability to do the job.

We urge the Government Affairs Committee to conduct a thorough inquiry into each of these areas of concern. We believe that the health, safety and quality of life of millions of Americans deserves such an appropriate response. Thank you for your consideration.

Sincerely,

Robert B. Reich, Former Secretary of Labor; Ray Marshall, Former Secretary of Labor; Edward Montgomery, Former Deputy Secretary of Labor; Charles N. Jeffress, Former Assistant Secretary of Labor for Occupational Safety & Health; Eula Bingham, Former Assistant Secretary of Labor for Occupational Safety & Health; Davitt McAteer, Former Assistant Secretary for Labor for Mine Safety and Health.

Lynn Goldman, Former Assistant Administration for Office of Prevention, Pesticides and Toxic Substances, Environmental Protection Agency; J. Charles Fox, Former Assistant Administrator for Water, Environmental Protection Agency; David Hawkins, Former Administrator, for Air Noise and Radiation, Environmental Protection Agency; Joan Claybrook, Former National Highway Traffic Safety Administration; Anthony Robbins, Former Director, National Institute for Occupational Safety and Health.

Mr. WELLSTONE. There are any number of former Federal regulators who have signed on, along with former Secretary Reich. One paragraph:

In his written work and testimony before Congress, Dr. Graham has repeatedly argued for an increased reliance on cost-benefit and cost effectiveness analysis in the regulatory process. We agree that economic analysis plays an important role in policy making. But increasing the role that economic analysis plays in rulemaking threatens to crowd out considerations of equal or perhaps greater importance that are harder to quantify and to put in terms of dollars—for example, what is the dollar value of making public spaces accessible so a paraplegic participate fully in community values? How should we quantify the worth of protecting private medical information from commercial disclosure? Why is the value of preventing a child from developing a future cancer worth only a small fraction of the value of preventing her from dying in an auto accident? How do you quantify the real value of a healthy ecosystem?

That is what is at issue here. Did you notice the other day the report about how children are doing better but not with asthma? Where is the protection going to be for these children? In this cost-benefit analysis, the thing that is never looked at is the cost to the workers who suffer the physical pain in the workplace. What about the cost of a worker who has to quit working and can't support his family because he has lost his hearing or because of a disabling injury in the workplace? What about people who have years off their life and end up dying early from cancer when they shouldn't have, but they were working with these carcinogenic substances? What about the cost to children who are still exposed to lead paint who can't learn, can't do as well in school? What about the cost to all of God's children when we don't leave this Earth better than the way we found it? We are all but strangers and guests in this land. What about the cost of values when we are not willing to protect the environment, we are not willing to be there for our children?

I believe Senators should vote no. Frankly, the more people in the country who find out about this agenda of this administration, they are going to find it to be extreme and harsh and not in the national interest and not in their interest and not in their children's interest. This nomination is a perfect example of that.

I urge my colleagues to vote no and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The assistant Republican leader.

Mr. NICKLES. Mr. President, I thank my friend and colleague Senator THOMPSON for yielding to me. I will be brief.

I have heard our colleagues. I heard part of Senator Wellstone's statement. He said he thought Mr. Graham would be extreme, out of the mainstream, as far as regulating a lot of our industries. I totally disagree.

I am looking at some of the people who are stating their strong support for Dr. John Graham. I will just mention a couple, and I will include for the RECORD a couple of their statements. One is former EPA Administrator William Reilly. No one would ever call him extreme. He said that John Graham has ''impressed me with his rigor, fairmindedness and integrity.'' Dr. Lewis Sullivan, former Secretary of Health and Human Services, said ''Dr.

Graham is superbly qualified to be the OIRA administrator.''

Former administrators from both Democrat and Republican administrations conveyed their confidence that John Graham ''is not an 'opponent' of all regulation but rather is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.''

I looked at this letter. It is signed by Jim Miller and Chris DeMuth, Wendy Gramm, all Republicans, but also by Sally Katzen, who a lot us got to know quite well during a couple of regulatory battles, and John Spotila, both of whom were administrators during President Clinton's reign as President. They served in that capacity. They said he is superbly qualified.

Dr. Robert Leiken, a respected expert on regulatory affairs at the Brookings Institution said that Dr. Graham is ''the most qualified person ever nominated for the job.'' That is a lot when you consider people such as Chris DeMuth and Wendy Gramm, Sally Katzen and others, all very well respected, both Democrats and Republicans. If you had statements by people who have served in the job, both Democrats and Republicans, when you have people who have been former heads of EPA—incidentally, when we passed the clean air bill, I might mention, Administrator Reilly—when they are strongly in support of him, they say he is maybe the most qualified person ever, that speaks very highly of Dr. Graham.

If I believed all of the statements or thought that the statements were accurate that claim he would be bad for the environment, and so on, I would vote with my colleagues from Illinois and Minnesota. I don't happen to agree with that. It just so happens that several former Administrators don't agree with it either.

Dr. Graham is supported by many people who are well respected. He is more than qualified. I believe he will do an outstanding job as OIRA Administrator.

I urge our colleagues, both Democrats and Republicans, to give him an overwhelming vote of support.

I thank my colleagues, Senator THOMPSON and Senator LEVIN, for allowing me to speak.

I ask unanimous consent to print in the RECORD the letters I referenced.

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

APRIL 27, 2001.

Hon. FRED THOMPSON,
Chairman.
Hon. JOSEPH I. LIEBERMAN,
Ranking Minority Member, Committee on Governmental Affairs,
Senate Dirksen Office Building, Washington, DC.

DEAR SENATORS THOMPSON AND LIEBERMAN: I am writing to support the nomination of John Graham to head OMB's Office of Information and Regulatory Affairs.

Throughout a distinguished academic career, John has been a consistent champion for a risk-based approach to health, safety and environmental policy. He is smart, he has depth, and he is rigorous in his thinking. I think that he would bring these qualities to the OIRA position and would help assure that the rules implementing our nation's health and environmental laws are as effective and as efficient as they can be in achieving their objectives.

There is a difference between Graham's work at Harvard's Center on Risk Analysis and the responsibilities which he would exercise at OIRA/OMB, and I think he understands that. At Harvard, he has concentrated on research about the elements of risk and their implications for policymakers, as well as on communicating the findings. At OMB, the charge would be quite different, involving the implementation of laws enacted by Congress, working with the relevant federal agencies—in short, taking more than cost-effectiveness into account.

I have no doubt that you and your colleagues on the Committee will put tough questions to him during his confirmation hearing and set forth your expectations for the position and his tenure should he be confirmed by the Senate. And I expect he will give the reassurances you require, of impartial and constructive administration of OIRA, and of avoiding the stalemates that have characterized OIRA–EPA relations, for example, in years past. The position at OIRA is fraught with potential for conflict and obstruction, but the advent of a thoroughgoing professional who has committed his career to the analysis and exposition of risk should be seen as positive. In sum, my interactions over the years with John Graham have impressed me with his rigor, fairmindedness and integrity.

With every good wish,
Sincerely yours,

WILLIAM K. REILLY.

MAY 3, 2001.

Hon. FRED THOMPSON,
Chairman.
Hon. JOE LIEBERMAN,
Ranking Democrat, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND SENATOR LIEBERMAN: The undersigned are former administrators of the Office of Information and Regulatory Affairs (OIRA), which was established within the Office of Management and Budget by the Paperwork Reduction Act of 1980. We are writing to urge prompt and fairminded Senate review of Professor John D. Graham's nomination to be OIRA Administrator.

The ''R'' in OIRA involves the regulatory aspects of the Office. These are in an important part of the OIRA Administrator's overall responsibilities. The five of us—like the Presidents we worked for—have differing views of the appropriate role of government regulation in the economy and society. All of us, however, came to appreciate three essential features of regulatory policy during our tours at OIRA.

First, regulation has come to be a highly important component of federal policy-making, with significant consequences for public welfare. Second, the importance of regulatory policy means that individual rules should be subject to solid, objective evaluation before they are issued. Third, the regulatory process should be open and transparent, with an opportunity for public involvement, and final decisions should be clearly and honestly explained. In our view, objective evaluation of regulatory costs and benefits, and open and responsive regulatory procedures, serve the same purpose: to avert policy mistakes and undue influence of narrow interest groups, and to ensure that federal rules provide the greatest benefits to the widest public.

We believe that John Graham understands and subscribes to these principles. His professional field, risk assessment, lies at the heart of many of the most important health, safety, and environmental rules. Despite some of the criticisms of Professor Graham's work that have appeared since his nomination was announced, we are confident that he is not an ''opponent'' of all regulation but rather is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.

The Senate's role in the appointment process is a critical one, and Professor Graham's nomination merits careful scrutiny and deliberation in the same manner as other senior Executive Branch appointments. At the same time, the President is entitled to the services of qualified appointees as soon as possible—and this is a particularly important factor today, when many regulatory issues of great public importance and heated debate are awaiting decision by the President's political officials. We therefore urge prompt and fair-minded Senate review of Professor Graham's nomination.

Respectfully,

JAMES C. MILLER III.
CHRISTOPHER DEMUTH.
WENDY L. GRAMM.
SALLY KATZEN.
JOHN SPOTILA.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I yield time to the Senator from Michigan. I ask how much time he would require?

Mr. LEVIN. Perhaps 15 minutes.

Mr. THOMPSON. I yield 15 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, at the heart of this debate on the nomination of John Graham to be Administrator of the Office of Information and Regulatory Affairs is the issue of cost-benefit analysis and risk assessment in agency rule making. Some of the groups opposed to this nomination, I believe, are concerned that Dr. Graham will live up to his promise and actually require agencies to do competent and comprehensive cost-benefit analyses and risk assessments of proposed rules. I hope he will. The goal of competent cost-benefit analysis and risk assessment is to ensure that the public will be able to get the biggest bang for its buck when it comes to federal regulation and that the requirements agencies impose to protect the environment and public health and safety will do more to help than to hurt. That is what we should all want.

I have been at odds over the past 20 years with some of my closest friends in the environmental, labor, and consumer movements over this notion of cost-benefit analysis. I have supported legislation to require cost-benefit analysis by agencies when issuing regulations since I first came to the Senate because, while I believe Government can make a positive difference in people's lives, I also know that Government can waste money on a good cause.

When we waste money on lesser needs, when we waste our resources on

things where the benefits do not justify the costs, it seems to me that we, at a minimum, have an obligation to tell the public why we are regulating them. If we don't do that, if we do not take the time to analyze benefits, analyze costs, and explain why, if benefits don't justify the costs, we are regulating, then we jeopardize public support for the very causes that so many of us came here to fight for—the environment, health, and safety, including workplace safety.

I came out of local government. I fought hard for housing programs, programs to clean up the environment, neighborhood protection programs, public safety programs. I spent a good part of my life in local government fighting for those programs. Too often, I found my Federal Government wasting resources and failing to achieve the very ends which those programs were supposed to achieve. Too often. When that happens, we jeopardize public support for the very programs of which we profess to be so supportive. When we waste dollars—in whatever the program is—on things which cannot be justified, as when we spend thousands of dollars with OSHA regulations, as we used to do before some of us got involved in getting rid of hundreds of OSHA regulations that made no sense, when we spent money telling people in OSHA regulations that when climbing a ladder you had to face forward, that doesn't protect public health. It doesn't protect workplace safety; it wastes resources on things that are useless, and it brings disrepute to the regulatory process—a process I believe in. I don't make any bones about that. I believe in regulation.

We need regulation to protect people against abuse, to protect their health and safety. But we don't do that if we waste money and if we are not willing to at least ask ourselves: What are the benefits of a proposed regulation? What are the costs of a proposed regulation? Do the benefits justify the costs? And if they don't, why are we regulating then?

I have fought on this floor against regulatory reform measures which I thought went too far. I have filibustered against regulatory reform measures on this floor which I thought went too far, and which, in fact, would have required that agencies do some things which I thought they should not have to do. For instance, we had a regulatory reform bill here which said, even though the law said you could not consider the cost, you would have to do it anyway. No, I don't buy that. If the law says you may not consider cost, that is the law of the land and that must be enforced, and no regulatory reform bill should override that legislative intent.

By the way, I have also opposed measures which said you have to quantify benefits. As my good friend from Minnesota points out, there are hundreds of benefits which cannot be quantified, at least in terms of dollars. You cannot say what the value of a life is. We don't know the value of a life. We don't know the value of a beautiful, unrestricted view in a national park. We don't know the value, in dollars, of a child who is disabled being able to get to a higher floor because of the Americans with Disabilities Act. We cannot put a dollar value on those benefits. And we should not. But we should weigh the benefit of that and ask ourselves whether or not, with the same resources, we can get more kids a better education, or more kids to a higher floor in a building—not to quantify in dollars those benefits, but to know what those benefits are.

If we spend a billion dollars to save a life, if that is my loved one's life, it is worth it. But if we can spend that same billion dollars and save a thousand lives, or 10,000 lives, do we not want to know that before we spend a billion dollars? Is that not worth knowing? Are we afraid of knowing those facts? Not me. I am not afraid of knowing those facts. I think we want to know those facts.

We should want to know the costs and benefits of what we propose to do. The people who should want to know them the most are the people who believe in regulation as making a difference, because if the same amount of resources can make a greater difference, people who believe in regulation should be the first ones to say let's do more with the same resources, let's not waste resources.

We know that effective regulatory programs provide important benefits to the public. We also know from recent studies that some of our regulations cost more than the benefits they provide, and that cost-benefit analysis when done effectively can result in rules that achieve greater benefits at less cost.

OMB stated in their analysis of costs and benefits of federal regulations in 1997, ''The only way we know to distinguish between the regulations that do good and those that cause harm is through careful assessment and evaluation of their benefits and costs.'' In a well-respected analysis of 12 major EPA rules and the impact of cost-benefit analysis on those rules, the author, Richard Morgenstern, former Associate Assistant Administrator of EPA and a visiting scholar at Resources for the Future, concluded that in each of the 12 rule makings, economic analysis helped reduce the costs of all the rules and at the same time helped increase the benefits of 5 of the rules. Report after report acknowledges the importance of good cost-benefit analysis and risk assessment for all agencies.

Yet some of the groups that support regulations to protect public health and safety appear to be threatened by cost-benefit analysis and risk assessment. They seem to fear it will be used as an excuse to ease up on otherwise tough standards. But I think to fear cost-benefit analysis and risk assessment is to fear the facts, and when it comes to these vitally important issues of the environment and public health and worker safety, we shouldn't be afraid of the facts. We shouldn't be afraid to know whether the approach an agency may want to take to solving an environmental or public health problem is not as effective as another approach and one that may even be less expensive.

Justice Stephen Breyer wrote about the value of cost-benefit analysis in his book called ''Breaking the Vicious Circle.'' He describes one example of the need for cost-benefit analysis in what he calls ''the problem of the last 10 percent.'' It was written by Justice Breyer when he served on the First Circuit Court of Appeals:

> He talks about a case ''. . . arising out of a ten-year effort to force cleanup of a toxic waste dump in southern New Hampshire. The site was mostly cleaned up. All but one of the private parties had settled. The remaining private party litigated the cost of cleaning up the last little bit, a cost of about $9.3 million to remove a small amount of highly diluted PCBs and ''volatile organic compounds'' . . . by incinerating the dirt. How much extra safety did this $9.3 million buy? The 40,000-page record of this ten-year effort indicated (and all the parties seemed to agree) that, without the extra expenditure, the waste dump was clean enough for children playing on the site to eat small amounts of dirt daily for 70 days each year without significant harm. Burning the soil would have made it clean enough for the children to eat small amounts daily for 245 days per year without significant harm. But there were no dirt-eating children playing in the area, for it was a swamp. Nor were dirt-eating children likely to appear there, for future building seemed unlikely. The parties also agreed that at least half of the volatile organic chemicals would likely evaporate by the year 2000. To spend $9.3 million to protect nonexistent dirt-eating children is what I mean by the problem of ''the last 10 percent.''

That was Justice Breyer speaking. As I have indicated, I have tried for the last 20 years just to get consideration of costs and benefits into the regulatory process. I have worked with Senator THOMPSON most recently, and I worked with Senators Glenn and Roth and GRASSLEY in previous Congresses. Each time we have tried, we have been defeated, I believe, by inaccurate characterizations of the consequences of the use of cost-benefit analysis and risk assessment.

That is what is happening, I believe, with Dr. Graham's nomination. Dr. Graham's nomination presents us with the question of the value of cost-benefit analysis and risk assessment in agency rule making once again. That's because Dr. Graham's career has been founded on these principles. He believes in them. So do I. And, Dr. Graham sees cost-benefit analysis not as the be-all and end-all in regulatory decisionmaking; rather, like many of us, he sees it as an important factor to consider. Dr. Graham supported the regulatory reform bill Senator THOMPSON and I sponsored in the last Congress—which was also supported by Vice President Gore—that would require an agency to perform a cost-benefit analysis and risk assessment and

state to the public whether the agency believes, based on that analysis, that the benefits of a proposed regulation justify the costs. If the agency believes they don't, then the agency would be required to tell the public why it has decided to regulate under those circumstances. It doesn't hold an agency to the outcome of a strict cost-benefit analysis. It doesn't diminish an agency's discretion in deciding whether or not to issue a regulation. It does mandate, though, that the agency conduct a comprehensive cost-benefit analysis and, where appropriate, risk assessment before it issues a proposed rule. I believe that is a reasonable, fair and appropriate standard to which to hold our federal agencies accountable. And of course our bill also required that in doing cost-benefit analysis agencies take into account both quantifiable and nonquantifiable benefits, a principle in which Dr. Graham firmly believes.

So how do Dr. Graham's opponents attack him? They attack him by saying his science has been influenced by the donors to his Center and that he supports industry in its opposition to environmental, health and safety regulation. And they attack him by taking many of his statements out of context to create what appears to be an extremist on the role of environmental and health regulation but which is really a fabricated character that doesn't reflect reality. I think Dr. Graham is a fair, thoughtful, and ethical person who believes in the value of cost-benefit analysis and risk assessment as tools we can and should use for achieving important public policy decisions. I believe Dr. Graham has also found it useful to be provocative when it comes to understanding risk, in an effort to shake us out of our customary thinking and see risks in a practical and real-life dimension.

Let me first discuss the allegation of bias with respect to funding sources. When various groups have questioned John Graham's independence, they have suggested that his science has been skewed by his corporate sponsorship. Frank Cross, Professor of Business and Law at the University of Texas, said ''this criticism is unwarranted, unfair and inconsistent with the clear pattern and practice of most (if not all) similarly situated research centers.'' Yes, Dr. Graham's center received significant sums of money from corporate sponsors. But it also established a conflict of interest policy in line with Harvard University School of Public Health's conflict of interest policy, requiring peer review of research products disseminated publicly by the Center and a complete disclosure of all sponsors. The policy requires that any restricted grants received by the Center adhere to all applicable Harvard University rules including the freedom of the Center's researchers to design projects and publish results without prior restraint by sponsors. I asked Dr. Graham a number of questions on this subject during our committee hearing and found his answers to be forthright and satisfactory. Dr. Graham confirmed for the record that he has never delayed the release of the results of his studies at the request of a sponsor, never failed to publish a study at the request of a sponsor, and never altered a study at the request of a sponsor. Moreover, there are numerous studies where the conclusions Dr. Graham or the Center reached were contrary to the interests of the Center's sponsors.

The other line of attack against Dr. Graham is taking Dr. Graham's statements out of context, to unfairly paint him as an extremist, and I would like to go over just a few examples where this has happened.

Opponents say, ''[John Graham] has said that dioxin is an anticarcinogen'' and that he said that ''reducing dioxin levels will do more harm than good.''

Those are quotes. Standing alone, that sounds pretty shocking, but let's look at what John Graham actually said. The issue came up while Dr. Graham was participating as a member of the EPA's Science Advisory Board, Dioxin Reassessment Review Subcommittee, when the subcommittee was reviewing EPA's report on dioxin. Here is what he said during one of the meetings:

(T)he conclusion regarding anticarcinogenicity . . . [in the EPA report on dioxin] should be restated in a more objective manner, and here's my suggestive wording, ''It is not clear whether further reductions in background body burdens of [dioxin] will cause a net reduction in cancer incidence, a net increase in cancer incidence, or have no net change in cancer incidence.'' And I think there would be also merit in stating not only that [dioxin] is a carcinogen—

That is John Graham speaking—

And I think there would be also merit in stating not only is dioxin a carcinogen, but also I would put it in a category of a likely anticarcinogen using the draft guidelines in similar kinds of criteria that you have used as classifying it as a carcinogen.

He said this at another point in the meeting: ''I'd like to frame it''— referring to a subcommittee member's comment—''in a somewhat more provocative manner in order to stimulate some dialogue.''

He discusses two studies that look at different levels of dioxin and identified some anticarcinogenic effects. Dr. Graham said the following:

If, as body burdens of dioxin decline the adverse effects disappear more rapidly than the adaptive or beneficial effects, and this is as suggested by certain experimental data both the Pitot study I mentioned and the Kociba study. As the dose comes down, the adverse effects go away faster than the anticarcinogenic effects. Then it's possible that measures to reduce current average body burdens of dioxin further could actually do more harm for public health than good.

''Possible,'' ''if,'' as two studies suggest. I want to repeat that. ''If'' something occurs, as two studies—not his—two studies ''suggest,'' then it is ''possible'' that at low levels there are anticarcinogenic effects. That is what he said in the meeting.

Then he went on to say the following:

The alternative possibility which EPA emphasizes is that the adverse effects outweigh these beneficial or adaptive effects. And I think that they're clearly right at the high doses. For example, total tumor counts are up so even if there's some anticarcinogenicity in there, the overall tumor effects are adverse. The question is, what happens when the doses come down.

Mr. President, I ask for 7 additional minutes. I do not know what time agreement we are under. What is the time agreement? What are the constraints?

The PRESIDING OFFICER. The Senator from Tennessee controls 3 hours, of which there are 150 minutes remaining.

Mr. THOMPSON. I yield an additional 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I thank my friend from Tennessee.

Mr. President, Dr. Graham has consistently said, as he stated in the above quotations, dioxin is a known carcinogen. What he went on to suggest as an EPA subcommittee member is that there be an additional comment, supported by two studies, that very low levels of dioxin may reduce the risk of cancer, calling for full disclosure about two studies. It turns out, Mr. President, that in the final report of that EPA subcommittee, his suggestions were adopted.

The final report—not his, but the EPA subcommittee—says:

There is some evidence that very low doses of dioxin may result in decreases in some adverse responses, including cancer . . .

That may sound absurd to us, but we are not experts—at least I am not an expert—and it seems to me that where you have somebody of this reputation who, as part of an EPA subcommittee, points to two studies which he says suggests that it is possible that at low levels dioxin could actually be an anticarcinogen, and then the EPA subcommittee actually adopts that suggestion, for that to be characterized that he thinks dioxin is good, or something similar to that, is a serious mischaracterization of what happened.

I am not in a position to defend the dioxin studies, nor am I arguing the substance of their outcome. I am pointing out, however, that Dr. Graham, when he discussed this point, wasn't making it up; he was bringing two scientific studies to the attention of the EPA subcommittee, and in the final review report by the EPA Science Advisory Panel, Dr. Graham's suggestion and the two studies to which he refers are mentioned.

Who would have thought in the year 2000 that cancer victims would be taking thalidomide and actually seeing positive results. That is counterintuitive to me. I was raised believing thalidomide to be the worst, deadly substance just about known. The idea that last year people would be taking thalidomide as an anticarcinogen is surely

counterintuitive to me, but we must not be afraid of knowing cost-benefits. It must not strike fear in our hearts, those of us who believe that regulation can make such a positive difference in the lives of people.

We should not be terrorized by labels, by characterizations which are not accurate. We should, indeed, I believe more than anybody, say: We want to know costs and benefits. We do not want to quantify the value of a human life. That is not what this is about. We should not quantify in dollars the value of a human life. It is invaluable—every life.

There is no dollar value that I can put on any life or on limb or on safety or on access. But we should know what is produced by a regulation and what is the cost of that regulation and what resources we are using that might be better used somewhere else to get greater benefits and still then make a judgment—not be prohibited from regulating, but at least know cost-benefit before we go on.

Lets look at another issue where John Graham has been quoted out of context by his critics. Critics say that Dr. Graham has said that the risk from pesticides on food is ''trivial.'' In January 1995, Dr. Graham participated in a National Public Radio broadcast discussing upcoming congressional hearings on regulatory reform. At the time, he was attempting to bring to light the importance of risk-based priorities, the importance of identifying and understanding the most serious risks vis a vis less significant risks. In putting this comment in the right context, lets look at what he actually said:

> It [the federal government] suffers from a syndrome of being paranoid and neglectful at the same time. We waste our time on trivial risks like the amount of pesticides residues on foods in the grocery store at the same time that we ignore major killers such as the violence in our homes and communities.

It was a provocative statement, and Dr. Graham did refer to pesticide residues as ''trivial,'' but it was done in the context of a larger discussion of overall risks. Dr. Graham was making a statement to make people think about risk-based priorities. Dr. Graham has consistently stated that since we have limited funds, there should be ''explicit risk-based priority setting'' of regulations. In other words, we have to make smart choices and strongly supported decisions and we need full disclosure of the differing risks to do this.

Dr. Graham's statements from an oped that he wrote for the Wall Street Journal on the merits of conducting cost-benefit analysis have also been mischaracterized. Critics say that John Graham has said that banning pesticides that cause small numbers of cancers is ''nutty.'' In the op-ed, Dr. Graham was opining on the adequacy of EPA's risk assessments supporting proposals to ban certain pesticides. Dr. Graham points out that the EPA did not look at all the costs and benefits associated with banning or not banning certain pesticides. He wrote:

> Pesticides are one example of the problem at EPA. EPA chief Carol Browner has proposed banning any pesticide that poses a theoretical lifetime cancer risk to food consumers in excess of one in a million, without regard to how much pesticides reduce the cost of producing and consuming food. (The best estimates are that banning all pesticides that cause cancer in animals would raise the price of fruits and vegetables by as much as 50%). This is nutty. A baby's lifetime risk of being killed on the ground by a crashing airplane is about four in a million. No one has suggested that airplanes should be banned without regard to their benefits to consumers.

Dr. Graham was making the point that we do not live in a risk-free world and that some risks are so small that while they sound bad, relatively speaking, they are minor compared to other risks we live with every day. Dr. Graham believes we should consider all the facts, that we should disclose all the costs and benefits associated with proposed regulations so we make smart common sense decisions.

Dr. Graham writes in the same article that ''One of the best cost-benefit studies ever published was an EPA analysis showing that several dollars in benefits result from every dollar spent de-leading gasoline.'' His critics don't quote that part.

Continuing with the pesticides issue, critics say that Dr. Graham has said that ''banning DDT might have been a mistake.'' This is not what Dr. Graham said. He actually said:

> Regulators need to have the flexibility to consider risks to both consumers and workers, since new pesticide products that protect consumers may harm workers and vice versa. For example, we do not want to become so preoccupied with reducing the levels of pesticide residues in food that we encourage the development and use of products that pose greater dangers to farmers and applicators. As an example, consider the pesticide DDT, which was banned many years ago because of its toxicity to birds and fish. The substitutes to DDT particularly organophosphate products, are less persistent in food and in the ecosystem but have proven to be more toxic to farmers. When these substitutes were introduced, a number of unsuspecting farmers were poisoned by the more acutely toxic substitutes for DDT.

These statements were part of Dr. Graham's testimony for a joint hearing on legislative issues pertaining to pesticides before the Senate Committee on Labor and Human Resources and the House Subcommittee on Health and Environment in September 1993. Dr. Graham was addressing his concerns on the lack of disclosure and review of the costs and benefits associated with the proposal of certain pesticides regulations. To properly show where Dr. Graham is on the pesticide issue, let me quote Dr. Graham's summary comments on risk analysis he made at that hearing. Dr. Graham testified:

> Pesticides products with significant risks and negligible benefits should be banned. Products with significant benefits and negligible risks should be approved. We should not give much attention to products whose risks and benefits are both negligible. When the risks and benefits are both significant, the regulator faces a difficult value judgement. Before approving use of a pesticide, the regulator should certainly assure himself or herself that promising alternatives of the pesticide are not available. If they are not, a conditional registration may be the best course of action—assuming that the benefits to the consumer are significant and the health risks are acceptable (even if non-negligible). There is nothing unjust or unethical about a society of consumers who subject themselves to some degree of involuntary risk from pesticide use in exchange for consumer benefits. If possible, its preferable to let each consumer make this judgement. But our society certainly accepts a considerable amount of (irreducible) involuntary risk from automobiles and electric power production in exchange for the substantial benefits these technologies offer the consumer.

In other words, Dr. Graham is saying that risks need to be disclosed and weighted based on the level of risk to make a fair decision. We need to have full disclosure and consideration of all the costs and benefits to make smart common sense decisions. In that same testimony, Dr. Graham also said:

> Each year thousands of poisonings occur to pesticide users, often due to application and harvesting practices that violate safety precautions. Recent studies suggest that the rates of some types of cancer among farmers may be associated with the frequency of herbicide use. It is not yet known whether or not these associations reflect a cause-and-effect relationship. Congress should examine whether EPA's recent occupational health rule is adequate to protect the health of farmworkers and applicators.

But his opponents don't mention those statements.

Dr. Graham was criticized in a recent op-ed for saying that our nation is overreacting ''in an emotional gush'' to school shootings at places such as Columbine High School. But the Sunday New York Times article in which those words are quoted, has a completely different context. It is an article about real dangers for teenagers, and whether schools are now dangerous places to be. The article notes that while homicide is the second leading cause of death among youngsters, according to the Centers for Disease Control and Prevention, ''fewer than 1 percent of the child homicides occur in or around schools.'' The article quotes Dr. Jim Mercy, associate director for science in the division of violence prevention at the Centers for Disease Control and Prevention, as saying, ''The reality is that schools are very safe environments for our kids.'' Later on in the article the other risks to adolescents are discussed and that's where Dr. Graham comes in. The article says:

> When public health experts look at risks to young people, homicides, which account for 14 percent of all deaths among children, come in second. The biggest threat is accidents, primarily car crashes, which are responsible for 42 percent of childhood deaths. Dr. Graham of Harvard says there is a danger to the ''emotional gush'' over Littleton: ''It diverts energies from the big risks that adolescents face, which are binge drinking, traffic crashes, unprotected sex''.

The last mischaracterization I would like to discuss relates to Dr. Graham's

work on cell phones. Dr. Graham's critics say that he has said that ''there is no need to regulate the use of cell phones while driving, even though this causes a thousand additional deaths on the road each year.'' The Executive Summary of the Harvard Center for Risk Analysis (HCRA) report, entitled, ''Cellular Phone Use While Driving: Risks and Benefits'' states that there is a risk of using a cell phone while driving, although the level of that risk is uncertain. It states:

The weight of scientific evidence to date suggests that use of a cellular phone while driving does create safety risks for the driver and his/her passengers as well as other road users. The magnitude of these risks is uncertain but appears to be relatively low in probability compared to other risks in daily life.

Look at the stated objective of the cell phone study. The report states, ''The information in this report does not provide a definite resolution of the risk-benefit issue concerning use of cellular phones while driving. The objective of the report is to stimulate greater scientific and public policy discussion of this issue.'' Dr. Graham states up-front that the study is promoting further discussion and research on the issue of cell phone use. The report also does not completely rule out the need for regulation; it states that further study is necessary. The Executive Summary states:

Cellular phone use while driving should be a concern of motorists and policymakers. We conclude that although there is evidence that using a cellular phone while driving poses risks to both the drivers and others, it may be premature to enact substantial restrictions at this time. Indecision about whether cellular phone use while driving should be regulated is reasonable due to the limited knowledge of the relative magnitude of risks and benefits. In light of this uncertainty, government and industry should endeavor to improve the database for the purpose of informing future decisions of motorists and policymakers. In the interim, industry and government should encourage, through vigorous public education programs, more selective and prudent use of cellular phones while driving in order to enhance transport safety.

Here, as is in the other examples, Dr. Graham is recommending that all data be considered so we can make a smart, common sense decision on any proposed regulation. There is no doubt that as a college professor, Dr. Graham has made some provocative statements on different issues. And I don't agree with all of the statements or considerations he has made, but, I do believe, these statements are within the context of reasonable consideration of the risks and that he has made these statements to promote free thinking to generate thoughts and ideas so we can make the best decisions.

Mr. President, I don't take any pleasure today in opposing some of my good friends and colleagues on a matter about which they appear to care so much. They have characterized the nomination of John Graham as a threat to our progress in protecting the environment, consumer safety and the safety of the workplace. If I believed that, I would vote ''no'' in an instant. But, contrary to what has been said by his opponents, I find John Graham to be a balanced and thoughtful person. So do other individuals in the regulatory field whom I respect. Dr. Graham has received letters of support from, among others, former EPA Administrator and now head of the Wilderness Society, William Reilly; five former OIRA Administrators from both Republican and Democratic Administrations; 95 academic colleagues; Harvey Fineberg, the Provost of Harvard College, numerous Harvard University professors, and Cass Sunstein, University of Chicago Law Professor. Professor Sunstein has written a particularly compelling letter of support which I would like to read.

Dr. Graham has supported common sense, well-analyzed regulations because they use resources wisely against the greatest risks we face. That is the best way to assure public support for health and safety regulatory programs. I think Dr. Graham will serve the public well as Administrator of OIRA, and I look forward to working with him on these challenging issues.

Mr. President, I ask unanimous consent to print in the RECORD the letter from Professor Sunstein.

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

THE UNIVERSITY OF CHICAGO,
THE LAW SCHOOL,
Chicago, IL, March 28, 2001.

Senator JOSEPH LIEBERMAN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR LIEBERMAN: I am writing to express the strongest possible support for John Graham's nomination to be head of the Office of Information and Regulatory Affairs. This is an exceptional appointment of a truly excellent and nonideological person.

I've known John Graham for many years. He's a true believer in regulatory reform, not as an ideologue but as a charter member of the ''good government'' school. In many ways his views remind me of those of Supreme Court Justice, and Democrat, Stephen Breyer (in fact Breyer thanks John in his most recent book on regulation). Unlike some people, John is hardly opposed to government regulation as such. In a number of areas, he has urged much more government regulation. In the context of automobile safety, for example, John has been one of the major voices in favor of greater steps to protect drivers and passengers.

A good way to understand what John is all about is to look at his superb and important book (coauthored with Jonathan Wiener), Risk vs. Risk (Harvard University Press). A glance at his introduction (see especially pp. 8–9) will suffice to show that John is anything but an ideologue. On the contrary, he is a firm believer in a governmental role. The point of this book is to explore how regulation of some risks can actually increase other risks—and to ensure that government is aware of this point when it is trying to protect people. For example, estrogen therapy during menopause can reduce some risks, but increase others at the same time. What John seeks to do is to ensure that regulation does not inadvertently create more problems than it solves. John's concern about the possible problems with CAFE standards for cars—standards that might well lead to smaller, and less safe, motor vehicles—should be understood in this light. Whenever government is regulating, it should be alert to the problem of unintended, and harmful, side effects. John has been a true pioneer in drawing attention to this problem.

John has been criticized, in some quarters, for pointing out that we spend more money on some risks than on others, and for seeking better priority-setting. These criticisms are misplaced. One of the strongest points of the Clinton/Gore ''reinventing government'' initiative was to ensure better priority-setting, by focusing on results rather than redtape. Like Justice Breyer, John has emphasized that we could save many more lives if we used our resources on big problems rather than little ones. This should not be a controversial position. And in emphasizing that environmental protection sometimes involves large expenditures for small gains, John is seeking to pave the way toward more sensible regulation, not to eliminate regulation altogether. In fact John is an advocate of environmental protection, not an opponent of it. When he criticizes some regulations, it is because they deliver too little and cost too much.

John has also been criticized, in some quarters, for his enthusiasm for cost-benefit analysis. John certainly does like cost-benefit analysis, just like President Clinton, whose major Executive Order on regulation requires cost-benefit balancing. But John isn't dogmatic here. He simply sees cost-benefit analysis as a pragmatic tool, designed to ensure that the American public has some kind of account of the actual consequences of regulation. If an expensive regulation is going to cost jobs, people should know about that—even if the regulation turns out to be worthwhile. John uses cost-benefit analysis as a method to promote better priority-setting and more ''bang for the buck''—not as a way to stop regulation when it really will do significant good.

I might add that I've worked with John in a number of settings, and I know that he is firmly committed to the law—and a person of high integrity. He understands that in many cases, the law forbids regulators from balancing costs against benefits, or from producing what he would see as a sensible system of priorities. As much as anyone I know, John would follow the law in such cases, not his own personal preferences.

A few words on context: I teach at the University of Chicago, in many ways the home to free market economics, and I know some people who really are opposed to regulatory programs as such. As academics, these people are excellent, but I disagree with them strongly, and I believe that the nation would have real reason for concern if one of them was nominated to head OIRA. John Graham is a very different sort. He cannot be pigeonholed as ''conservative'' or ''liberal''; on regulatory issues, he's unpredictable in the best sense. I wouldn't be at all surprised if, in some settings, he turned out to be a vigorous voice for aggressive government regulation. In fact that's exactly what I would expect. When he questions regulation, it is because he thinks we can use our resources in better ways; and on this issue, he stands as one of the most important researchers, and most promising public servants, in the nation.

From the standpoint of safety, health, and the environment, this is a terrific appointment, even an exciting one. I very much hope that he will be confirmed.

Sincerely,

CASS R. SUNSTEIN.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we have speakers in support. I see my friend from Connecticut. In the interest of balance, if the Senator desires time, I yield. Not my time, of course.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I thank my friend from Tennessee for his graciousness and fairness. I yield myself up to 15 minutes from the time I have under the prevailing order.

Mr. President, the nomination of John Graham to administer the Office of Information and Regulatory Affairs, known as OIRA, is an important nomination, although the office is little known. I say that because the office, though little known, has a far reach throughout our Government. It particularly has a significant effect on a role of Government that is critically important and cherished by the public. That is the protective role. This responsibility, when applied to the environment or the health and safety of consumers and workers, is worth a vigorous defense. It is a role which the public wants and expects the Government to play. I fear it is a role from which the present administration seems to be pulling away. It is in that context I view this nomination.

With that in mind, I have weighed Dr. Graham's nomination carefully. I have reviewed his history and his extensive record of advocacy and published materials. I listened carefully to his testimony before the Governmental Affairs Committee. I did so, inclined, as I usually am, to give the benefit of the doubt to the President's nominees. In this case, my doubts remained so persistent and the nominee's record on issues that are at the heart of the purpose of the office for which he has been nominated are so troubling that I remain unconvinced that he will be able to appropriately fulfill the responsibilities for which he has been nominated. I fear in fact, he might—not with bad intentions but with good intentions, his own—contribute to the weakening of Government's protective role in matters of the environment, health, and safety. That is why I have decided to oppose Dr. Graham's nomination.

Let me speak first about the protective role of Government. Among the most essential duties that Government has is to shield our citizens from dangers from which they cannot protect themselves. We think of this most obviously in terms of our national security or of enforcement of the law at home against those who violate the law and commit crimes. But the protective function also includes protecting people from breathing polluted air, drinking toxic water, eating contaminated food, working under hazardous conditions, being exposed to unsafe consumer products, and falling prey to consumer fraud. That is not big government; that is responsible, protective government. It is one of the most broad and supportive roles that Government plays.

OIRA, this office which Dr. Graham has been nominated to direct, is the gatekeeper, if you will, of Government's protective role. OIRA reviews major rules proposed by agencies and assesses information on risk, cost, benefits, and alternatives before the regulations can go forward. Then if the Administrator of OIRA finds an agency's proposed rule unacceptable, they return the rule to the agency for further consideration. That is considerable power.

This nominee would continue the traditional role but charter a further, more ambitious role by declaring that he intends to involve himself more in the front end of the regulatory process, I assume. That is what he said before our committee. I assume by this he meant he will take part in setting priorities in working with agencies on regulations even before they have formalized and finalized their own ideas to protect the public.

So his views on regulation are critically important, even more important because of this stated desire he has to be involved in the front end of the process. It also means he could call upon the agencies to conduct time-consuming and resource-intensive research and analysis before they actually start developing protections needed under our environmental statutes.

Some others have referred to this as paralysis by analysis; in other words, paralyzing the intention, stifling the intention of various agencies of our Government to issue regulations which protect the environment, public health, safety, consumers, by demanding so much analysis that the regulations are ultimately delayed so long they are stifled.

OIRA, looking back, was implicated during earlier administrations in some abuses that both compromised the protective role of Government and undermined OIRA's own credibility. There was a history of OIRA reviewing regulations in secret, without disclosure of meetings or context with interested parties. Rules to protect health, safety, and the environment would languish at OIRA, literally, for years. I am not making that up. Regulations would be stymied literally for years with no explanation. Then OIRA would return them to the agencies with many required changes, essentially overruling the expert judgment of the agencies, which not only compromised the health and safety of the public which was unprotected by those regulations for all that time but also frustrated the will of Congress which enacted the laws that were being implemented by those regulations.

To be fair, of course, it is too soon to say whether similar problems will occur at OIRA during the Bush administration, and Dr. Graham himself expressed a desire to uphold the transparency of decisionmaking at OIRA. However, the potential for abuse remains. That is particularly so for delaying the process, with question after question, while the public remains unprotected.

Let me turn directly to Dr. Graham's record. In the hearing on his nomination, Dr. Graham acknowledged, for instance, his opposition to the assumptions underlying our landmark environmental laws —that every American has a ''right'' to drink safe water and breathe clean air. Indeed, Dr. Graham has devoted a good part of his career to arguing that those laws mis-allocate society's resources, suggesting we should focus more on cost-benefit principles, which take into consideration, I think, one view of the bottom line, but may sacrifice peoples' right to a clean and healthy environment and a fuller understanding of the bottom-line costs involved when people are left unprotected. Dr. Graham has written generally, for example, that the private sector should not be required to spend as much money as it does on programs to control toxic pollution, that he believes, on average, are less cost-effective than medical or injury-prevention efforts, where presumably more money should be spent. But why force us to make such a choice when both are necessary for the public interest?

Dr. Graham has said society's resources might be better spent on bicycle helmets or violence prevention programs than on reducing children's exposure to pesticide residues or on cutting back toxic pollution from oil refineries. This is the kind of result that his very theoretical and I would say, respectfully, impractical, cost-benefit analysis produces. Bicycle helmets save lives, and violence is bad for our society. But the problem is that Dr. Graham's provocative theorizing fails to answer the question of how to protect the health of, for instance, the family that lives next to the oil refinery or in the neighborhood. His rational priority setting may be so rational that it becomes, to those who don't make it past the cost-benefit analysis, cruel or inhumane, although I know that it is not his intention.

Dr. Graham sought to allay concerns by explaining that his provocative views were asserted as a university professor, and that in administering OIRA he would enforce environmental and other laws as written. I appreciate his assurances. But for me, his longstanding opinions and advocacy that matters of economy and efficiency supersede the environmental and public health rights of the citizenry still leave me unsettled and make him an unlikely nominee to lead OIRA.

Dr. Graham's writings and statements are controversial in their own right, but they are all the more so in light of the actions the Bush Administration has already taken with regard to protective regulations. It began with the so-called Card memo—written by the President's Chief of Staff, Andrew Card—which delayed a number of protective regulations issued by the Clinton administration. The Card memo was followed by a series of troubling

decisions—to reject the new standard for arsenic in drinking water; to propose lifting the rules protecting groundwater against the threat of toxic waste from ''hard-rock'' mining operations on public lands; to reconsider the rules safeguarding pristine areas of our national forests; and to weaken the energy-efficiency standard for central air conditioners.

So his views are disconcerting. In the context of this administration and the direction in which it has gone, they are absolutely alarming.

We have received statements from several respected organizations opposing this nomination. I do at this time want to read a partial list of those because they are impressive: the Wilderness Society, the League of Conservation Voters, the Sierra Club, the National Resources Defense Council, Public Citizen, National Environmental Trust, OMB Watch, AFL–CIO, American Federation of State, County and Municipal Employees, American Rivers, Center for Science and the Public Interest, Defenders of Wildlife, Earthjustice Legal Defense Fund, Friends of the Earth, Greenpeace, Mineral Policy Center, Physicians for Social Responsibility, Southern Utah Wilderness Alliance, the United Auto Workers, the United Food and Commercial Workers International Union, The United States Public Interest Research Group.

We have received, Members of this body, letters from many of these organizations and others urging us to oppose this nomination. We have also received letters against the nomination from over 30 department heads and faculty members at medical and public health schools across the United States, from numerous other scholars in the fields of law, economics, science, and business, and from former heads of Federal departments and agencies that have been referred to earlier in this debate.

I ask unanimous consent that these various letters of opposition to Dr. Graham's nomiantion be printed in the RECORD.

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

OMB WATCH,
Washington, DC, June 8, 2001.

U.S. Senate,
Washington, DC.

DEAR SENATOR: We are writing to express our opposition to President Bush's nominee to head OMB's Office of Information and Regulatory Affairs, John Graham. We believe Dr. Graham's track record raises serious concerns that warrant your careful consideration. In particular:

As director of the Harvard Center for Risk Analysis, which is heavily funded by corporate money, Dr. Graham has been a consistent and reliable ally of almost any industry seeking to hold off new regulation. As OIRA administrator, Dr. Graham will sit in ultimate judgment over regulation affecting his former allies and benefactors. This gives us great concern that OIRA will take a much more activist role in the rulemaking process, reminiscent of the 1980s when the office came under heavy criticism from Congress from continually thwarting crucial health, safety, and environmental protections. At a minimum, this raises serious concerns about his independence, objectivity, and neutrality in reviewing agency rules.

In critiquing federal regulation, Dr. Graham has employed questionable analytical methods that have the inevitable effect of deflating benefits relative to costs. For example, he's downplayed the health risks of diesel engines, as well as second-hand smoke, and argued against a ban on highly toxic pesticides (all after receiving funds from affecting industries). As administrator of OIRA, Dr. Graham will be in position to implement these analytical methods, which would not bode well for health, safety, and environmental protections.

In pushing his case for regulatory reform, Dr. Graham has often invoked a study he conducting with one of his doctoral students. ''[B]ased on a sample of 200 programs, by shifting resources from wasteful programs to cost-effective programs, we could save 60,000 more lives per year in this country at no additional cost to the public sector or the private sector,'' Dr. Graham told the Governmental Affairs Committee on Sept. 12, 1997. Senators clearly took this to mean existing regulatory programs. Yet in fact, most of the 200 ''programs'' were never actually implemented, as Lisa Heinzerling, a professor at Georgetown Law Center has recently pointed out. This includes 79 of the 90 environmental ''regulations,'' which, not surprisingly, were scored as outrageously expensive. Despite repeated misrepresentations of his study by the press and members of Congress, Dr. Graham has never bothered to correct the record. In fact, he has perpetuated the myth by continually using the study to criticize our real-world regulatory system.

Dr. Graham has promoted the view that cost-benefited analysis should be the determinative criteria in deciding whether a rule goes forward. This position is frequently at odds with congressional mandates that place public health considerations as the preeminent factor in rulemaking deliberations. For instance, Dr. Graham was recently part of an amicus brief filed before the Supreme Court that argued EPA should consider costs in devising clean air standards (currently costs are considered during implementation), which the Court unanimously rejected. We are concerned that as regulatory gatekeeper, Dr. Graham would elevate the role of cost-benefit analysis in ways Congress never intended.

Dr. Graham has little to no experience with information issues, which have taken on even greater importance with the advent of the intent. OIRA was created in 1980 by the Paperwork Reduction Act, which gives the office chief responsibility for overseeing information collection, management, and dissemination. We fear that information policy will suffer with Dr. Graham at the helm, and that he is more likely to focus on regulatory matters—his natural area of interest and expertise. Ironically, Congress has never asked OIRA to review agency regulations. This power flows from presidential executive order.

Dr. Graham's track record does not demonstrate the sort of objectivity and dispassionate analysis that we should expect from the next OIRA administrator. Indeed, he has demonstrated a consistent hostility to health, safety, and environmental protection—once telling the Heritage Foundation that ''[e]nvironmental regulation should be depicted as an incredible intervention in the operation of society.'' Dr. Graham's nomination threatens to bring back the days when OIRA acted as a black hole for crucial public inspections. Accordingly, this nomination deserves very careful scrutiny and should be opposed.

Sincerely,

GARY D. BASS,
Executive Director.

Re: Oppose the nomination of Dr. John Graham to be OIRA administrator.

JULY 17, 2001.

U.S. Senate,
Washington, DC.

DEAR SENATOR, The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide, and the press.

LCV opposes the nomination of Dr. John D. Graham to direct the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget. The Administrator of OIRA plays an extremely powerful role in establishing regulatory safeguards for every agency of our government. This position requires a fair and even-handed judge of the implications of regulatory policies: John Graham's record makes him an unsuitable choice for this important position.

OIRA is the office in the Executive Office of the President through which major federal regulations and many other policies must pass for review before they become final. The office has great leeway in shaping proposals it reviews or holding them up indefinitely. One of the principal ways in which OIRA influences rulemakings is through its use of risk assessment and cost-benefit analysis. Graham has a perspective on the use of risk assessment and cost-benefit analysis that would greatly jeopardize the future of regulatory policies meant to protect average Americans. He advocates an analytical framework that systematically reinforces the worst tendencies of cost-benefit analysis to understate benefits and overstate costs. As head of OIRA, he would be in a position to impose this approach throughout the government.

Graham's approach has led him to challenge—either directly or through his support of others who use the approach—some of the most valuable environmental requirements that exist, including regulations implementing the Clean Air Act and the Food Quality Protection Act. He has used comparative risk assessments to rank different kinds of risk and to argue that society should not take actions to reduce environmental risks as long as there are other risks that can be reduced more cheaply. His approach makes no distinction between risks that are assumed voluntarily and those that are imposed involuntarily.

Graham's considerable financial support from industry raises serious questions about potential conflicts of interest and his ability to be truly objective. His close ties to regulated industry will potentially offer these entities an inside track and make it difficult for Dr. Graham to run OIRA free of conflicts of interests and with the public good in mind.

For these reasons, we strongly urge you to oppose the nomination of Dr. Graham to be the Administrator of OIRA. LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2001 Scorecard. If you need more information, please call Betsy Loyless in my office at 202/785–8683.

Sincerely,

DEB CALLAHAN,
President.

NATIONAL ENVIRONMENTAL TRUST,
Washington, DC, May 15, 2001.

Hon. JOSEPH I. LIEBERMAN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR LIEBERMAN: I am writing on behalf of the National Environmental Trust (NET) to urge your opposition to the nomination of John Graham to head OMB's Office of Information and Regulatory Affairs. As Ranking Member on the Senate Government Affairs Committee, Mr. Graham's scheduled to come before you at a confirmation hearing on May 16, 2001.

Mr. Graham's approach to regulation includes heavy reliance on business friendly ''risk analysis'' and ''cost-benefit analysis'' creating a higher barrier for agencies to overcome in order to issue a rule other than the one which is most ''cost effective''. Furthermore, Mr. Graham is hostile to the very idea of environmental regulation. In 1996, Graham told political strategists at the Heritage Foundation that ''environmental regulation should be depicted as an incredible intervention in the operation of society.'' He has also stated that support for the regulation of chemicals in our water supply shows the public's affliction with ''a syndrome of paranoia and neglect.'' (''Excessive Reports of Health Risks Examined,'' The Patriot Ledger, Nov. 28, 1996, at 12.)

We are also greatly concerned that Mr. Graham is being considered for this position given the Harvard Center for Risk Analysis' record of producing reports that strongly match the interests of those businesses and trade groups that fund them. For instance a 1999 Risk Analysis Center report found that banning older, highly toxic pesticides would lower agricultural yields and result in an increase in premature childhood deaths, because food production would be hampered. This widely criticized report was funded by the American Farm Bureau Federation, which opposes restrictions on pesticides.

In 1999, Mr. Graham supported the Regulatory Improvement Act of 1999 (S. 746). The late Senator John Chafee, then chairman of the Senate Environmental and Public Works Committee promised to vehemently oppose this bill due to its omnibus approach to ''regulatory reform''. Under S. 746, regulations would have been subject to just the type of cost-benefit analysis and risk assessments that Mr. Graham advocates, across the board, regardless of the intent of the proposed regulation. This bill was strongly opposed by environmental, consumer, and labor groups.

For these reasons and more, Mr. Graham's appointment to the Office of Information and Regulatory Affairs within OMB represents a serious threat to public health and environmental protections. Please oppose his nomination to head OIRA.

Sincerely,

PHILIP F. CLAPP,
President.

NATURAL RESOURCES DEFENSE COUNCIL,
Washington, DC, May 15, 2001.

Hon. FRED THOMPSON,
Chairman, Senate Governmental Affairs Committee,
Washington, DC.

Hon. JOSEPH LIEBERMAN,
Ranking Minority Member, Senate Governmental Affairs Committee, Washington, DC.

DEAR CHAIRMAN THOMPSON AND RANKING MINORITY MEMBER LIEBERMAN. I am writing on behalf of the over 400,000 members of the Natural Resources Defense Council to make clear our strong opposition to the nomination of Dr. John D. Graham to direct the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget. We encourage you to very carefully consider his anti-regulatory record and controversial risk management methodology during your confirmation proceedings.

The Administrator of OIRA plays an extremely powerful role in establishing regulatory safeguards for every agency of our government. This position requires a fair and even-handed judge of the implications of regulatory policies. Upon close review, we believe that you will agree that John Graham's record makes him an unsuitable choice for this important position.

Dr. Graham possesses a decision-making framework that does not allow for policies that protect public health and the environment. He has consistently applied controversial methodology based on extreme and disputable assumptions without full consideration of benefits to public health and the environment. Graham's record puts him squarely in opposition to some of the most important environmental and health achievements of the last two decades. His record of discounting the risks of well-documented pollutants raises questions about his ability to objectively review all regulatory decisions from federal agencies.

Complicating matters further, John Graham and his colleagues at the Harvard Center for Risk Analysis have been handsomely rewarded by industry funders who oppose regulations protective of public health and the environment and have directly benefited from Dr. Graham's work. These relationships form a disturbing pattern that makes it very difficult to imagine how Dr. Graham could effectively run this office free of conflicts of interests and with the public view in mind.

Dr. Graham's inherently biased record clearly demonstrates that he is not an objective analyst of regulatory policies and would not be a proper choice for this position. We therefore strongly urge you to oppose the nomination of Dr. Graham to be the Administrator of OIRA.

Sincerely,

JOHN H. ADAMS,
President.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, May 17, 2001.

Hon. FRED THOMPSON,
Chairman, Senate Committee on Governmental Affairs, Dirksen Senate Building, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to convey the opposition of the AFL–CIO to the nomination of John D. Graham, Ph.D. to direct the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB).

As Administrator of OIRA, Dr. Graham would be the gatekeeper for all federal regulations. In our view, Dr. Graham, with his very strong anti-regulatory views, is simply the wrong choice to serve in this important policy making position.

For years as Director of the Harvard Center for Risk Analysis, Dr. Graham has repeatedly taken the position that cost and economic efficiency should be a more important, if not the determinative consideration, in settling standards and regulations. He has argued for the use of strict cost-benefit and cost-efficiency analysis, even though for many workplace safety and environmental regulations, such analyses are not appropriate or possible or are explicitly prohibited by the underlying statute. If Dr. Graham's views dictated public policy, workplace regulations on hazards like benzene and cotton dust would not have been issued because the benefits of these rules are hard to quantify and are diminished because they occur over many years. Similarly, regulations pertaining to rare catastrophic events such as chemical plant explosions or common sense requirements like these for lighted exit signs couldn't pass Dr. Graham's strict cost-benefit test.

In enacting the Occupational Safety and Health Act, the Clean Air Act and other safety and health and environmental laws, Congress made a clear policy choice that protection of health and the environment was to be the paramount consideration in setting regulations and standards. Dr. Graham's views and opinions are directly at odds with these policies.

We are also deeply concerned about Dr. Graham's close ties to the regulated community. The major source of Dr. Graham's funding at the Harvard Center for Risk Analysis has been from companies and trade associations who have vigorously opposed a wide range of health, safety and environmental protections. Much of Dr. Graham's work has been requested and then relied upon by those who seek to block necessary protections.

Given Dr. Graham's extreme views on regulatory policy and close alliance with the regulated communities, we are deeply concerned about his ability to provide for a fair review of regulations that are needed to protect workers and the public. If he is confirmed, we believe that the development of important safeguards to protect the health and safety of workers across the country would be impeded.

Therefore, the AFL–CIO urges you to oppose Dr. Graham's confirmation as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

WILLIAM SAMUEL,
Director, Department of Legislation.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL–CIO,
Washington, DC, June 7, 2001.

DEAR SENATOR: On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME), I write to express our strong opposition to the nomination of John D. Graham, Ph.D. to serve as director of the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB).

As gatekeeper for all federal regulations, the Administrator of OIRA has an enormous impact on the health and safety of workers and the public. Yet Dr. Graham's record as Director of the Harvard Center for Risk Analysis demonstrates that he would minimize consideration of worker and public health in evaluating rulemaking and instead rely almost exclusively on considerations of economic efficiency.

Dr. Graham's approach to regulatory analysis frequently ignores the benefits of federal regulation, indicating that reviews under his leadership will lack balance. His anti-regulatory zeal causes us to question whether he will be able to implement regulations that reflect decisions by Congress to establish health, safety and environmental protections. We are also deeply concerned that Dr. Graham's extreme views and close alliance with regulated entities will prevent the OIRA from providing a fair review of regulations that are needed to protect workers and the public.

For the foregoing reasons, we urge you to oppose Dr. Graham's confirmation as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

CHARLES M. LOVELESS,
Director of Legislation.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
Washington, DC, May 11, 2001.

Hon. FRED THOMPSON,
Chair, Committee on Governmental Affairs,
U.S. Senate, Washington, DC

DEAR CHAIRMAN THOMPSON: On May 17, 2001, the Committee on Governmental Affairs is holding a hearing on the nomination of John Graham to head the Office of Information and Regulatory Analysis of the Office of Management and Budget. On behalf of 1.3 million active and retired UAW members and their families, we urge you to oppose the nomination of John Graham. In this critical job, he would oversee the promulgation, approval and rescission of all federal administrative rules protecting public health, safety, and the environment as well as those concerning economic regulation. We believe his extreme positions on the analysis of public health and safety regulations render him unsuited for this job.

The UAW strongly supports Occupational Safety and Health Administration standards to protect against workplace hazards. We are also concerned about clean air, clean water, toxic waste, food, drug and product safety, and consumer protection rules. The OIRA serves as the gatekeeper for these standards and rules as well as for government collection of information on which to base public health protections.

The Harvard Center for Risk Analysis, which John Graham founded, has been the academic center for the deconstruction of our public health structure. Mr. Graham and his colleagues have advocated the full range of obstruction of new public protections: cost-benefit, cost-per-lives saved, comparative risk analysis, substitution risk, and so-called ''peer review'' which would give regulated industries a privileged seat at the table before the public could comment on a rule. Mr. Graham has testified before Congress in favor of imposing such obstacles on all public health agencies and all public health laws. His academic work is entirely in support of this agenda as well.

It already takes decades to set a new OSHA standard. Our members and their families need stronger public health protections, and Mr. Graham has demonstrated his opposition to such protections. We are concerned that, with Mr. Graham as the head of OIRA, public health and safety regulations will be further delayed, protections on the book now will be jeopardized, and the interests of workers and consumers will not be given adequate weight.

For these reasons, we urge you to vote against the nomination of John Graham to head OIRA.

Sincerely,

ALAN REUTHER,
Legislative Director.

PUBLIC CITIZEN,
Washington, DC, March 13, 2001

Hon. FRED THOMPSON,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Shortly, the Senate will consider the nomination of John Graham for a position as the regulatory czar at the head of the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB). We are writing to call your attention to the threat that Graham's nomination poses to the environment, consumer safety, and public health, and to urge his rejection by the committee.

Graham's appointment to OIRA would put the fox in charge of the henhouse. His agenda is no secret. Over the past decade, Graham has amply demonstrated his hostility—across the board—to the system of protective safeguards administered by the federal regulatory agencies. In 1996, Graham told an audience at the Heritage Foundation that ''environmental regulation should be depicted as an incredible intervention in the operation of society.''

Graham has repeatedly advocated for sweeping regulatory rollback bills that would trump the statutory mandates of all the regulatory agencies. He would also impose rigid, cost-benefit analysis criteria well beyond that which has been used in previous administrations, virtually guaranteeing that many new regulations will fail to see the light of day. Moreover, his special White House clearance procedures may make it likely that virtually any agency response to public health hazards, such as the Surgeon General's pronouncements on the dangers of tobacco use, will not be made. At OMB, Graham would undoubtedly be the new master of ''paralysis by analysis.''

Grahm has represented himself as a neutral academic ''expert'' from the Harvard School of Public Health when testifying before Congress and speaking on risk issues to the media. In fact, as our investigative report indicates, his Harvard-based Center accepts unrestricted funding from over 100 major industrial, chemical, oil and gas, mining, pharmaceutical, food and agribusiness companies, including Kraft, Monsanto, Exxonmobil, 3M, Alcoa, Pfizer, Dow Chemical and DuPont.

As just one example of the connections between his funding and his agenda, in the early 1990s Graham solicited money for his activities from Philip Morris, while criticizing the Environmental Protection Agency's conclusion that second-hand smoke was a Class A carcinogen. In short, Graham has long fostered deep roots throughout an entire network of corporate interests that are hostile to environmental and public health protections, who would expect to call upon his sympathy at OIRA.

A major area of controversy between Congress and the Reagan and Bush I administrations concerned the use of back channels in the OIRA office by major corporations and trade associations to delay, eviscerate or block important public health protections that federal agencies had promulgated following Congress' statutory authorization and open government procedures. The head of OIRA should be an honest broker, reviewing regulatory proposals from federal agencies and deferring to agency expertise on most scientific and technical matters. Inviting Graham to head that office, given his close connections to broad sectors of the regulated industries, would signal a return to back-door intervention by special interests.

We urge you to read the attached report detailing Graham's shoddy scholarship and obeisance to his corporate funders, and to vigorously oppose his nomination to OIRA. As a start, Congress should request full access to Graham's and the Harvard Center for Risk Analysis' funding records and records as to speaking and consulting fees from the industries that he could not be charged with regulating.

Graham's confirmation would constitute a serious threat to our tradition of reasonable and enforceable health, safety and environmental safeguards, and should be rejected.

Sincerely,

JOAN CLAYBROOK,
President, Public Citizen.

FRANK CLEMENTE,
Director, Public Citizen, Congress Watch.

UFCW,
Washington, DC, June 28, 2001.

Hon. JOSEPH I. LIEBERMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LIEBERMAN: On behalf of the 1.4 million members of the United Food and Commercial Workers International Union (UFCW), I am writing to express our opposition to President Bush's nomination of John D. Graham, Ph.D., to head the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA).

As Administrator of OIRA, Dr. Graham would be the gatekeeper for all federal regulations, including those dealing with environmental protection, workplace safety, food and drug safety, and consumer safety. He has consistently viewed cost-benefit analysis as the determinative criteria in deciding whether a rule goes forward—a position that is frequently at odds with congressional mandates that place public health considerations as the preeminent factor in rule-making deliberations. In addition to our concerns regarding the fairness of Dr. Graham, we have strong concerns about his extreme versions of regulatory reform, which the Senate has considered but never approved and which we sought to defeat.

Furthermore, we are also concerned with Dr. Graham's close ties to industry. As Director of the Harvard Center for Risk Analysis, he has received financial support from more than 100 corporations and trade associations over the last 12 years. At the same time, Dr. Graham has produced numerous reports, given testimony, and provided media commentary that directly benefited those who have funded the Center, which include food processors, oil and chemical companies, and pharmaceutical industries. In addition, many of these companies have staunchly opposed new regulatory initiatives and have been leading proponents of extreme regulatory reform.

Dr. Graham's track record does not demonstrate the sort of objectivity and dispassionate analysis that we should expect from the next OIRA Administrator. Given his extreme views on regulatory policy, and his close ties with the regulated communities, we are deeply concerned about his ability to provide for a fair review of regulations that are needed to protect workers and the public.

For these reasons, the UFCW urges you to oppose confirmation of John D. Graham, Ph.D., as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

DOUGLAS H. DORITY,
International President.

U.S. PUBLIC INTEREST RESEARCH GROUP,
Washington, DC, June 13, 2001.

DEAR SENATOR: The U.S. Public Interest Research Group (U.S. PIRG), as association of state-based organizations that are active in over 40 states, urges that you oppose the nomination of Dr. John Graham to the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA), and that you support closer scrutiny of his suitability to lead OIRA. As Administrator of OIRA, Dr. Graham could use a closed-door process to stop much-needed protections prior to any public debate, and to construct regulatory procedures that would weaken consumer, environmental or public health protections contemplated by any federal agency.

Dr. Graham has a long history of espousing highly controversial and academically suspect positions against protections for consumers, public health, and the environment. He also has a history of taking money from

corporations with a financial interest in the topics on which he writes and speaks. Unfortunately, this pattern of soliciting money from polluting corporations, taking controversial positions that are favorable to his benefactors, and failing to fully disclose conflict of interests calls into question his fitness to be the Administrator of OIRA.

Dr. Graham's positions are based on theories of risk assessment that fall far outside of the mainstream, and in fact, are contrary to positions taken by esteemed academics and scientists. Widespread opposition to Dr. Graham's nomination from well-respected professionals is indicative of his unbalanced approach. Indeed, eleven professors from Harvard (where Dr. Graham is employed) and 53 other academics from law, medicine, economics, business, public health, political science, psychology, ethics and the environmental sciences drafted letters of opposition to Dr. Graham's nomination. These experts all concluded that Dr. Graham is the wrong person to supervise the nation's system of regulatory safeguards.

Overwhelming opposition to Dr. Graham reflects deep concern regarding his pattern of pushing controversial and unsupported theories, combined with his failure to disclose financial conflicts of interests. In constructing his positions on regulatory affairs, Dr. Graham has employed dubious methodologies and assumptions, utilized inflated costs estimates, and failed to fully consider the benefits of safeguards to public health, consumers and the environment. Dr. Graham has used these tools when dealing with the media to distort issues related to well-established dangers, including cancer-causing chemicals (such as benzene), the clean up of toxic waste sites (including Love Canal), and the dangers of pesticides in food. In each instance, Mr. Graham's public statements failed to include an admission that he was being paid by corporate interests with a financial stake in rulemaking related to those topics.

Widespread opposition to Dr. Graham is buttressed by the unquestioned need for a balanced leader at OIRA. This office is the gatekeeper of OMB's regulatory review process, and dictates the creation and use of analytical methodologies that other agencies must employ when developing protections for public health, consumers, and the environment. In his role as gatekeeper, Dr. Graham will have the ability to stop much-needed protections before they ever see the light of day. In his role as director of analysis, he will be able to manipulate agency rulemakings—without Congressional approval or adequate public discussion—by issuing new OMB policies that force other agencies to conform to his narrow and highly controversial philosophy. This could result in a weakening of current protections, and a failure to create adequate future safeguards.

OIRA needs a fair and balanced individual at its helm. A review of Dr. Graham's record demonstrates an unmistakable pattern of placing the profits of polluters, over protections for public health, the environment, and consumers. In the interests of balance and accountability, we urge you to oppose Dr. Graham's nomination, and to support ongoing Congressional efforts to carefully scrutinize his record.

Sincerely,

GENE KARPINSKI,
Executive Director.

Mr. LIEBERMAN. As a Senator reviewing a President's nominee, exercising the constitutional advice and consent responsibility we have been given, I always try not to consider whether I would have chosen this nominee because it is not my choice to make. However, it is my responsibility to consider whether the nominee would appropriately fulfill the responsibilities of this office; whether I have sufficient confidence that the nominee would do so to vote to confirm him.

Where we are dealing, as we are here, with what I have described as the protective role of government, where people's safety and health and the protection of the environment is on the line, I approach my responsibility with an extra measure of caution because the consequences of confirming a nominee who lacks sufficient commitment to protecting the public health and safety through protective regulations are real and serious to our people and to our principles.

Dr. Graham, in the meetings I have had with him, appears to me to be an honorable man. I just disagree with his record and worry he will not adequately, if nominated, fulfill the responsibilities of this office.

So taking all of those factors into account, I have reached the conclusion that I cannot and will not support the nomination of Dr. Graham to be the Director of OIRA.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I had spoken to Senator DURBIN and Senator THOMPSON. I ask unanimous consent that all time but for 1 hour on this nomination be yielded back and that there be, following the conclusion of that debate, which would be evenly divided between Senator THOMPSON and Senator DURBIN, with Senator THOMPSON having the ability to make the final speech—he is the mover in this instance—following that, there will be 1 hour evenly divided and we will have a vote after that.

Mr. DURBIN. Reserving the right to object, if I could ask Senator THOMPSON, could we agree that in the last 10 minutes before debate closes we each have an opportunity to speak, with Senator THOMPSON having the final 5 minutes?

Mr. THOMPSON. Yes. I have no objection.

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. REID. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. THOMPSON. Mr. President, I yield 8 minutes to the Senator from Ohio.

Mr. VOINOVICH. Mr. President, I rise today to wholeheartedly support the nomination of Dr. John Graham to be Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget.

I view the Office of Information and Regulatory Affairs, or, OIRA, as a key office in the Federal Government. It is charged, among other things, with ensuring that cost-benefit analyses are completed on major Federal rules.

Fortunately, President Bush has nominated an individual who has the experience, the knowledge and the integrity to uphold the mission of OIRA and who will be a first-rate Administrator.

Dr. John Graham is a tenured professor at Harvard University. He has published widely, has managed the Harvard Center for Risk Analysis at the Harvard School of Public Health, and is considered a world-renowned expert in the field of risk analysis.

When I was active in the National Governors' Association, I had the pleasure of meeting Dr. Graham and hearing his testimony about risk assessment and cost benefit analysis. He is, by far, one of the most qualified people ever to be nominated for this position.

As my colleagues know, I served as Governor of Ohio for 8 years. I know what it's like to operate in an environment of scarce resources where tough choices have to be made on resource allocation among a state's various programs.

In many instances, new federal regulations have a habit of costing state and local governments tremendous sums of money to implement. That is why it is so important to have an OIRA Administrator who understands the significance of sound regulations and the usefulness of cost-benefit analysis when determining how federal regulations will be applied to our state and local governments.

As one who was very involved in the development of the passage of the Unfunded Mandates Reform Act of 1995, I believe it is important that the OIRA Administrator work to encourage agencies to consult with State and local governments while developing new Federal rules. OIRA is an enforcer of UMRA and a protector of the principle of federalism.

It is important that OIRA produces accurate cost-benefit analyses for major Federal regulations. For governments, businesses, and those concerned with protecting the environment, accurate accounting of the costs and benefits of Federal regulations is a critical tool in formulating both public and private decisions.

And accurately assessing risks, costs and benefits is what John Graham has done successfully throughout his career, and he will bring this experience to OIRA as its Administrator.

Given his background and his years of experience, I am confident that Dr. Graham will bring a reasoned approach to the federal regulatory process.

Dr. Graham is widely respected and his nomination has received support from many of his colleagues and public health officials at Harvard, from numerous business groups, from dozens of academics, from labor unions such as the International Brotherhood of Boilermakers and from environmental advocates such as former Environmental Protection Agency Administrator William Reilly.

Robert Litan, a Democrat who heads economic studies for the Brookings Institution, has said that Graham ''is the most qualified person ever nominated for the job.''

John Graham is so well-qualified for this job that the last five OIRA administrators, Democrats and Republicans alike, wrote to the Governmental Affairs Committee on May 3rd, saying that ''We are confident that [John Graham] is not an 'opponent' of all regulation but rather is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.''

These five individuals know what it takes to be an effective Administrator because they have done the job themselves. In their view, Dr. Graham has the skills and he has the qualifications to be a responsible steward of the public interest.

I agree with their assessment.

John Graham makes objective analyses. He throws the ball right over the plate, contrary to what some of my colleagues have said about his record this evening. Dr. Graham has a distinguished record. He makes well-reasoned judgments about the use of public resources.

For example, Dr. Graham has supported additional controls on outdoor particulate pollution while also highlighting the need to give some priority to indoor air quality.

The American Council on Science and Health has stated that ''the comparative risk methods that Professor Graham and his colleagues have pioneered have been particularly useful to our organization and others in efforts to highlight the health dangers of smoking.''

Maria New of Cornell University Medical School has stated that ''Graham has dedicated his life to pursuing cost-effective ways to save lives (and) prevent illness. . . .''

According to Cass Sunstein, a Professor at the University of Chicago Law School, ''. . . [Graham] is seeking to pave the way toward more sensible regulation, not to eliminate regulation. In fact [Graham] is an advocate of environmental protection, not an opponent of it.''

And the American Trauma Society has concluded that, ''Graham cares about injury prevention and has made many important and significant contributions to the field of injury control.''

Before I conclude, I would like to raise one other point about John Graham's nomination.

There has been strong support for Dr. Graham's nomination from a variety of sources. However, there have also been some criticism of Dr. Graham and the Harvard Center for Risk Analysis regarding their corporate funding. I see this criticism as totally unfounded.

While some corporate funding has been provided to the Harvard Center, what is generally not revealed is the fact that Federal agencies also fund Dr. Graham's work.

Moreover, John Graham and the Harvard Center for Risk Analysis have financial disclosure policies that go beyond even that of Harvard University.

The Harvard Center for Risk Analysis has a comprehensive disclosure policy, with the Center's funding sources disclosed in the Center's Annual Report and on their Web Site.

You just turn on your computer, get in their Web site, and it is all there for everyone to see. They do not hide one thing.

If reporters, activists, or legislators want to know how the Harvard Center is funded, the information is publicly available. It is well known that the Harvard Center has substantial support from both private and public sectors.

The Harvard Center also has an explicit, public conflict-of-interest policy, and as for Dr. Graham, he has a personal policy that goes beyond even Harvard's as he does not accept personal consulting income from companies, trade associations, or other advocacy groups.

We should publicly thank individuals such as Dr. Graham who are willing to serve our Nation, even when they are put through our intense nomination process. I know this has been very hard on his family.

As my mother once said, ''This too will pass.''

I am sure my colleagues will see through the smokescreen that is being put out here this evening by some of my colleagues.

Dr. Graham has answered his critics. It is now time for the Senate to get on with the business of the people. It is time to confirm Dr. Graham as the next Administrator of OIRA.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON. Mr. President, I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I wanted to come over and speak on this nomination for several reasons.

One, OIRA is an office I know something about. My wife held this position during the Reagan administration. It is a very powerful position. It is the M in OMB. If there is one position in Government where we want someone who understands cost-benefit analysis and who is committed to rationality, it is at OIRA.

As I have listened to Dr. Graham's critics, it strikes me that, first of all, there is a broad misunderstanding about what cost-benefit analysis is. Cost-benefit analysis is not the dollars of cost versus the dollars of benefits. Cost-benefit analysis is when you are a kid and you climb over this wall and your momma comes out and says, Phil, get off that wall; so you weigh, A, you are liable to get a beating if you do not do it; B, you might fall off and break your neck; or, C, Sally is next door and might see you on the wall and figure that you actually are cool. And you weigh that in a rational way and decide whether to get off the wall. That is cost-benefit analysis.

In reality, what Dr. Graham's opponents object to is rationality. That is what they object to. If there is a garbage dump in the middle of the desert that no one has been close to in 50 years, they object to the fact that someone will stand up and say, ''We could probably do more for child safety by improving traffic safety, by buying helmets for people who ride bicycles than by going out in the desert and digging up this garbage dump.''

They object to that statement because it is rational. And they are not rational. They want to dig up that garbage dump not because it makes sense in a society with limited resources, not because it is a better use than sending kids from poor neighborhoods to Harvard University—a better use of money than that—but it is because it is their cause.

Let me also say there is something very wrong with the idea that someone who takes the scientific approach is dangerous in terms of setting public policy. It seems to me that you can agree or disagree with the finding, but the fact that somebody tries to set out systematically what are the benefits of an action, and what are the costs of an action, and puts those before the public in a public policymaking context—how can society be the loser from that? It seems to me society must be the winner from that process.

Let me make two final points.

First of all, I take strong exception to this criticism, which I think is totally unfair, that Dr. Graham, in his center at Harvard University, is somehow tainted because corporate America is a supporter of that center—along with the EPA, the National Science Foundation, the Center for Disease Control, the Department of Agriculture, and numerous other sources of funding. Where do you think money comes from? Who do you think supports the great universities in America? Corporate America supports the great universities.

I have to say, I think there is something unseemly about all these self-appointed public interest groups. I always tell people from my State: Anybody in Washington who claims to speak for the public interest, other than I, be suspicious. But these self-appointed public interest groups, where do they get their money from? They don't tell you. You don't know where their money comes from. Harvard University tells you, and they are corrupted. All of these self-appointed special interest groups don't tell you where their money comes from, and they are pure. How does that make any sense?

Finally, let me just say I have heard a lot of good speeches in this Senate Chamber, and have heard many weak ones, and given some of them, but I congratulate our colleague, Senator LEVIN. Senator LEVIN is one of our smartest Members in the Senate. I

have often heard him make very strong statements, but I have never heard him better than he was tonight. I think there has been no finer debate in this Senate Chamber, certainly in this Congress, than CARL LEVIN's statement tonight. It was a defense of rationality. That is what this debate is about.

The opposition to Dr. John Graham of Harvard University is opposition to rationality in setting public policy, because there are many people who believe—I do not understand it, but they believe it—that there are some areas where rationality does not apply, that rationality should not apply in areas such as the environment and public safety. I say they should because the world operates on fixed principles and we need to understand it.

The PRESIDING OFFICER (Mr. CORZINE). The Senator's time has expired.

Mr. GRAMM. I appreciate the Chair's indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. Mr. President, I have listened very carefully to the defenders of John Graham this evening. I listened very carefully to CARL LEVIN, the Senator from Michigan. I respect him very much. It is a rare day when Senator CARL LEVIN and I disagree on an important issue such as this, but we do disagree.

Senator LEVIN, Senator VOINOVICH, Senator GRAMM, and others have come to this Chamber and have talked about the fact that when you enact a rule or regulation in America to protect public health or the environment or workers' safety, you should take into consideration the cost of that rule. I do not argue with that at all. You cannot argue with that. There has to be some rationality, as the Senator from Texas says, between the rule and the perceived protection and result from it.

I do not quarrel with the fact that John Graham is capable of understanding the value of a dollar. What I quarrel with is the question of whether he is capable of understanding the value of sound science and the value of human life. That is what this is all about. When you make this mathematical calculation—which he makes as part of his daily responsibilities at his center for risk studies; he can make that mathematical calculation; I am sure he can; we can all make it—the question is, What do you put into the calculation?

Let me give you an example. People have come to this Chamber to defend John Graham, but very few of them have tried to defend what he has said on the record throughout his public career.

Here he is quoted in a magazine called Priorities, in 1998:

> The evidence on pesticide residues on food as a health problem is virtually nonexistent. It's speculation.

John Graham, in 1998: Pesticides on food as a health problem is virtually nonexistent; speculation.

We asked him the same question at the hearing. He took the same position. He backed off a little bit, but he does not believe that pesticides on food present a health hazard.

Let's look at the other side of the ledger. You decide whether these people are credible people or whether, as the Senator from Texas has suggested, they have their own special interest at stake.

Here is one. Here is a really special interest group, the National Academy of Sciences. They released a study entitled ''Pesticides in the Diets of Infants and Children'' in 1993. They concluded:

> Changes needed to protect children from pesticides in diet.

Not John Graham, the gatekeeper for the rules of public health in America, he doesn't see it; the National Academy of Sciences does.

Take a look at Consumers Union. I read the Consumers Union magazine. I think it is pretty credible. And they go straight down the center stripe. They tell you about good products and bad ones. That is why they are credible and we buy their magazines.

In their report of February 1999 entitled ''Do You Know What You're Eating,'' they said:

> There is a 77% chance that a serving of winter squash delivers too much of a banned pesticide to be safe for a young child.

Well, obviously, the Consumers Union knows nothing about risk analysis. They don't understand John Graham's idea of the world, his scientific revolution, his paradigm.

John Graham said: Pesticides on food? Virtually nonexistent as a health problem—not to the Consumers Union. They got specific: Winter squash, young children, 77-percent chance that they will have a serving of pesticide they should not have in their diet.

How can a man miss this? How can John Graham, who has spent his professional life in this arena, miss this? This is basic. And he wants to go to OMB and decide what the standards will be for pesticides in food for your kids, my grandson, and children to come, for generations?

Do you wonder why I question whether this is the right man for the job?

Here is the last group—another ''special interest'' group—the Environmental Protection Agency. Here is what they said:

> EPA's risk assessment showed that methyl parathion could not meet the FQPA [Food Quality Protection Act] safety standard. . . . The acute dietary risk to children age one to six exceeded the reference dose (or amount that can be consumed safely over a 70-year lifetime) by 880%.

Methyl parathion—this was applied to crops in the field. After we came out with this protective legislation, they had to change its application so it did not end up on things that children would consume.

The EPA knew it. The National Academy of Sciences knew it. The Consumers Union knew it. But John Graham, the man who is being considered this evening, he did not know it. So what minor job does he want in the Bush administration? The last word at the OMB on rules and regulations on the environment and public health and safety. That is why I oppose his nomination.

I at this point am prepared to yield the floor to the Senator from Massachusetts. I do not know if there will be a request at this point from the Senator from Nevada, but I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to Senator THOMPSON. The Senator from Massachusetts wishes to speak for up to 15 minutes. The way we have been handling this is, whatever time is used on this side would be compensated on the other side. So I ask unanimous consent for an additional 15 minutes for this side. And for the information of everyone, maybe everyone will not use all the time because there are people waiting around for the vote. But I ask unanimous consent there be an additional 30 minutes for debate on this matter, equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished majority whip and the Senator from Tennessee for his courtesy. I will try not to use all that time. I cannot guarantee it.

I obviously rise to discuss the nomination of John Graham. Having served now for a number of years as chairman or ranking member, in one role or the other, of the Committee on Small Business, I have watched firsthand and listened firsthand to the frustration of a great many business owners dealing with Federal regulation. I think all of us have heard these arguments at one time or another.

I have obviously also witnessed, as many of you have, how needlessly complex and redundant regulations can stifle economic growth and innovation and also how regulation that was designed for a large corporate entity is often totally incompatible with small firms.

Always the intention of the underlying rule or law is sound, whether it is protecting the environment or public health or worker safety or consumers, but too often the implementation becomes excessive, overzealous, onerous, restrictive and, in the end, it is harmful.

Recognizing this problem, I have supported a range of efforts to ensure that regulations are reasonable, cost effective, market based, and business friendly. In particular, I supported the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act. Since its passage, the RFA has played an increasingly important role in protecting our Nation's small businesses from the unintended consequences of Government regulation.

Additionally, with the passage of SBREFA, small businesses have been given valuable new tools to help ensure that their special needs and circumstances are taken into consideration. The RFA and SBREFA, if used as intended, work to balance the very real need of our Federal agencies to promulgate important and needed regulations with those of small business compliance costs. They can differ substantially from those of large business cousins.

The Small Business Administration reports that these laws I just mentioned have saved over $20 billion in regulatory compliance costs between 1998 and 2000 alone without sacrificing needed safeguards.

On the other side of the ledger, though, I also believe very strongly that the Federal Government has a responsibility to protect the environment, public health, consumers, and workers. It was 6 years ago that I joined with others in the U.S. Senate to oppose the enactment of a bill that was incorrectly called the Comprehensive Regulatory Reform Act, a bill which, for many of us who looked at it closely and examined what were good intentions, we determined would have undermined important Federal protections.

I listened to the Senator from Texas a moment ago ask how society can be the loser for looking at cost-benefit. I support looking at cost-benefit. I support looking at the least-intrusive, most effective, least-cost solution to a number of enforcement measures which we seek to put in place.

But to answer the question of the Senator from Texas, how can society be a loser, the answer is very simple. Society can be a loser when people bring you a bill such as the Comprehensive Regulatory Reform Act that pretended to do certain things but actually, both in intent and effect, would have done an enormous amount of damage to the regulatory scheme.

The reason society can be a loser, in answer to the question of the Senator from Texas, is that if you apply the wrong standards, if you apply the wrong judgments about how you make your cost analysis, you can completely skew that analysis to obliterate the interests of health, of the environment, of workers, and of consumers.

Some of my colleagues may have forgotten that there are people in the Senate and the House of Representatives who voted against the Clean Air Act, who voted against the Clean Water Act, who voted against the Safe Drinking Water Act. There are people who have voted against almost every single regulatory scheme that we seek to implement in the interest of protecting clean water, clean air, hazardous waste, and a host of others. There has long been a movement in this country by those people who have most objected to those regulations in the first place to create a set of criteria that empower them, under the guise of reform, to actually be able to undermine the laws that they objected to in the first place. That is how society can be a loser, a big loser.

In point of fact, what came to us called the Comprehensive Regulatory Reform Act was, in fact, the planks of the Contract with America, championed by Speaker Newt Gingrich, that began with the premise that they wanted to undo the Clean Water Act altogether. When we looked at this act and began to read through it very closely, we learned that what was purported to be a straightforward attempt to streamline the regulatory process and ensure that Federal and private dollars were spent efficiently and to consider the costs as well as benefits of Federal safeguards, while that may have been the stated purpose, that would not have been the impact of that legislation.

In fact, I stood on the floor of the Senate with a group of colleagues who defined those differences, and we stopped that legislation. It would have upended Federal safeguards impacting clean air, clean water, public health, workers, air travel, cars, food, medicine, and potentially every other area regulated for the common good.

It did this by creating a complex scheme of decisional criteria, cost-benefit analysis, and judicial review that skewed the entire process away from the balance that we tried to seek in the regulatory reform that many of us have talked about.

I am in favor of regulatory reform. Do I believe there are some stupid environmental laws that have been applied in stupid ways by overzealous bureaucrats? The answer is yes, I do. Does it make sense to apply exactly the same clean air standard of a large powerplant to smaller entities, and so forth? I think most people would agree there are ways to arrive at a judgment about cost and analysis that is fair.

In working on that legislation, I saw how the regulatory process under the guise of regulatory reform can be weakened to the point that the laws of the Congress that we have enacted to protect the public would be effectively repealed. It is partly because of the work that I did at that time that I join my colleague from Illinois and others. I congratulate my colleague from Illinois for his steadfast effort. We know where we are on this vote, but we also know where we are in what is at stake.

I have serious concerns with this nomination because during that period of time, this nominee strongly supported and helped draft the regulation that I just described and other omnibus regulatory rollback measures that I strongly opposed in the 104th Congress.

As Administrator, Dr. Graham will be in a position to profoundly impact a wide range of issues and to execute administratively some of the failed proposals that he has supported previously legislatively.

We all understand what this office is. We understand that OMB Director Daniels has already signaled the amount of increased power that Dr. Graham will have over his predecessor in the Clinton administration.

Let me give an example of one of the ways this would have an influence. The way in which these rules can be obviously skewed to affect things is clear in the work that we have already seen of Dr. Graham. For instance, his approach to risk assessment and cost-benefit analysis, in my judgment, has been weighed, if you look at it carefully, against a fair and balanced judgment of what also ought to be measured about public health and environmental protection itself.

For instance, he focuses on the age of a person saved by a particular safeguard. In doing so, he argues that the life of an elderly person is inherently less valuable than that of a younger person and thus less worthy of protection.

Now, I don't know how many Americans want to make a judgment about their family, their grandmother, or grandfather on that basis. But if you weight it sufficiently, you could come out with a judgment on cost that clearly diminishes the level of protection. In addition to that, you make a judgment that people who die in the future are deemed less valuable than people who die in the present.

The doctor has neglected benefits from avoided injury alone, such as the prevention after nonfetal adverse health effects or ecological damage. These are things many of us believe ought to be weighted as a component in the balance, and they are not. That is how you wind up skewing the consequences.

I am not telling you that it is inherently wrong, if you want to make a hardnosed statistical judgment, but I am saying that when the value of life, health, and our environment are discounted too far, then even reasonable protections don't have a prayer of passing muster under any such analysis.

I am concerned that Dr. Graham's preferred methodology in this area, such as comparative risk analysis, would make it extraordinarily difficult for a new generation of safeguards to be approved under his or anybody else's tenure.

In addition, Dr. Graham made his views known on a range of issues, and it is apparent that if the past is a prelude to the future, he would be hostile to a number of important public safeguards. For example, he argued against the EPA's determination that dioxin is linked to serious health problems—a hypothesis that EPA's Deputy Assistant Administrator for Science called ''irresponsible and inaccurate.'' Those are the words of the Deputy Administrator of EPA.

In 1999, Dr. Graham's center published a report funded by the American Farm Bureau Federation that concluded that banning certain highly toxic pesticides would actually increase the loss of life because of disruptions to the food supply caused by a

shortage of pesticides to protect crops. If anybody thinks that is an analysis on which we ought to base the denial of regulations, I would be surprised.

However, the report also ignored readily available, safer substitutes. Dr. Graham's center concluded that the EPA overestimated the benefits of clean air protections because most acute air pollution deaths occur among elderly persons with serious pre-existing cardiac respiratory disease. Under Dr. Graham's approach, the benefits would be lowered to reflect his view that older citizens are worth less in raw economic terms.

Dr. Graham's center issued a study funded by AT&T Wireless Communications that argued against a ban on using cellular phones while driving. An independent 1997 study published in the New England Journal of Medicine found that the risk of car crashes is four times greater when a driver uses a cell phone.

In 1995, while debating the merits of the Comprehensive Regulatory Reform Act, I said then that I was prepared to embrace a legitimate effort to streamline and improve the regulatory process. We worked very hard to find a compromise to do that. I believe that with SBREFA and other measures we have made good progress. I still believe we can make more progress. But I am deeply concerned that the record suggests this balance that we look for, which we want to be sensitive and fair, would be absent with this nominee.

In closing, let me acknowledge the fact that Dr. Graham is from my home State of Massachusetts. My office has been contacted by residents who support and residents who oppose this nomination. I have deep respect for many of those who took the time to discuss this with me and my office. I am grateful for friends of mine and friends of Dr. Graham's who have suggested that I should vote for him. I note that I was contacted by several individuals from Harvard University, which is home to Dr. Graham's center. I heard both points of view. I thank each and every person who took the time to contact my office. I intend to cast my vote absolutely not on personal terms at all but exclusively on the experience I had with the Comprehensive Regulatory Reform Act and based on what I believe is an already-declared intention and a declared willingness of this administration to disregard important safeguards with respect to the environment.

I would like to see a nominee who has a record of a more clear balance, if you will, in the application of those laws. I thank the Chair for the time, and I thank my colleagues.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DURBIN. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Illinois controls 25 minutes. The Senator from Tennessee has 31 minutes.

Mr. DURBIN. I say to the Senator from Tennessee, I don't know if a UC is necessary, but I would be prepared to reduce the amount of remaining time if he will join me. I suggest—and he can amend it if he would like—that we ask unanimous consent that we each have 10 minutes and I am given 5 minutes to close and you are given 5 minutes to close. Unless you have other speakers, I would like to make that request.

Mr. THOMPSON. Reserving the right to object, I ask my friend, are you suggesting a total of 15 minutes on each side?

Mr. DURBIN. Yes.

Mr. THOMPSON. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, as I understand it, if we can keep to the time we have agreed to, in about a half hour we should reach a vote. I also thank my colleague from Massachusetts, Senator KERRY, for joining me in opposing this nomination.

I will tell you about dioxin. I am not a scientist, and I don't pretend to be. I am a liberal arts lawyer who has practiced politics and political science for a long time. But let me tell you what I have learned about dioxin.

Dioxin is a highly toxic and deadly chemical. According to the National Toxicology Program at the National Institutes of Health, dioxin is the ''most toxic manmade chemical known.'' It is not just very toxic—extremely toxic—it is the most toxic chemical human beings know how to create. It is not manufactured deliberately. There are no commercial uses for it. It is a waste product, a contaminant, the most deadly manmade toxic chemical in existence. And astonishingly, small amounts of dioxin can kill people and animals.

One of the insidious features of dioxin is your body accumulates it, and over time it can reach a toxic level. The World Health Organization and the NIH brand it as a ''human carcinogen.'' If a man came before us and asked to be in charge of the OMB, which rules on safety for the public health and environmental standards of chemicals and pesticides and residues, you would think there would be no doubt in his mind about the danger of dioxin. There doesn't seem to be a doubt in the minds of any credible scientist.

John Graham, the man we are considering this evening, not only doesn't question the toxicity of dioxin; he actually thinks it has medicinal qualities. Let me read what John Graham, the nominee before us this evening, has said about dioxin, the most dangerous chemical created by the human race known today:

> It's possible that measures to reduce current average body burdens of dioxin further could actually do more harm for public health than good.

That is interesting. Then he goes on to say:

> I think there would be also merit in stating not only that TCDD (dioxin) is a carcinogen, but also I would put it in the category of a likely anti-carcinogen.

Where did he say that? Was that a casual statement that someone picked up on a tape recorder? No. It was a statement to the EPA Science Advisory Board on November 1 and 2 of the year 2000. John Graham, gatekeeper, rules and regulations, protecting American families from health risks—he thinks dioxin, the most dangerous chemical known to man, a known carcinogen, actually stops cancer.

Let's see what others have said.

The National Institutes of Health: ''Dioxin is a known human carcinogen.''

EPA: ''The range for cancer risk indicates about a ten-fold higher chance than estimated in EPA's earlier assessment, in terms of the damage and danger.''

EPA: ''The promulgation of this theory—

They are referring to the statement by Mr., Dr., Professor John Graham.

''The promulgation of this theory that dioxin is an anti-carcinogen hypothesis is irresponsible and inaccurate.''

That John Graham, whom President Bush's wants to put in a position to judge questions of public health and safety, who has said on the record and he acknowledges he is not a chemist, not a biologist, he is not a toxicologist, not a medical doctor, could stand before the EPA's Science Advisory Board and tell them dioxin could stop cancer is almost incredible. It is incredible he would be nominated for this job after he said it. That is what we face this evening.

People have come before us and said it is all about measuring the dollar value of rules and regulations with the risk involved. Let me repeat, I do not quarrel with that premise, but I do believe the person making the measurement should be engaged in sound science, and in this situation we have a man with advanced degrees in public policy who goes around telling us that dioxin, the most dangerous chemical created on the Earth, can cure cancer.

I do not know how we can really look at that statement and this nomination and ignore the simple fact. Why would he say things such as that? Because he has made his life work representing corporate interests, industries, and manufacturers who want to reduce the standards when it comes to environmental protection. He has been in States such as Louisiana, Alabama, and Maine testifying on behalf of one of his major clients, the paper industry—which, incidentally, discharges dioxin from paper mills—saying you should not be that concerned about dioxin. He is a chorus of one in that belief.

Thank goodness the State of Maine rejected his point of view and said that they would have zero tolerance for dioxin, despite John Graham's arguments to the contrary.

In his testimony for these companies, Graham stated:

Based on a comparison of breast cancer screening programs and other cancer prevention programs, dioxin standards ''would be a poor investment in cancer prevention.''

That is what it comes down to. He does not want to get into this argument on the merits of dioxin, and cancer, other than these few outrageous statements. He says there is a better way to spend the dollars. In Maine and other States they were trying to decide what is a safe amount of dioxin that we might release in streams that may accumulate in the fish or the children who eat the fish or the people who drink the water. He could find a way out for his corporate clients.

Thank goodness the State of Maine rejected his point of view. The New York Times said it came out with the toughest standards in the Nation when it came to protecting the people of Maine from dioxin contamination.

The same man who said pesticides on fruits and vegetables were not a public health hazard, the same man who finds in dioxin some medical merit, wants to now be the last word in Washington on rules and regulations on safety and public health.

Excuse me; I think President Bush can do better; I think America can do better, better than this man.

A lot of people have talked about the endorsements he received. No doubt he has. We received a letter originally sent to Senator THOMPSON on May 17, 2001, from those who are members of the faculty who work with John Graham and know of him at Harvard University, and others who have worked with him in the past. This group which signed the letter includes Dr. Chivian, director of the Center for Health and the Global Environment at Harvard Medical School, who shared the 1985 Nobel Peace Prize, and the list goes on and on, from Johns Hopkins to the University of Pittsburgh School of Medicine, dean of the School of Public Health at UCLA. What do they have to say about John Graham?

It is a cardinal rule of scientific research to avoid at all costs any conflict of interest that could influence the objectivity of one's findings. This rule takes on added significance in the context of biomedical and public health research, for peoples' lives are at stake.

For more than a decade, John Graham, Director of the Center for Risk Analysis at the Harvard School of Public Health and candidate for position of Director of the Office of Information and Regulatory Affairs at the Office of Management and Budget, has repeatedly violated this rule. Time and again, Professor Graham has accepted money from industries while conducting research and policy studies on public health regulations in which those same industries had substantial vested interests. Not surprisingly, he has consistently produced reports, submitted testimony to the Congress, and made statements to the media that have supported industry positions, frequently without disclosing the sources of his funding.

They give some examples:

Soliciting money from Philip Morris while criticizing the EPA's risk assessment on the dangers of secondhand smoke;

Greatly overestimating the costs of preventing leukemia caused by exposure to benzene in gasoline while accepting funds from the American Petroleum Institute;

Downplaying EPA's warnings about cancer risk from dioxin exposure while being supported by several major dioxin producers, including incinerator, pulp, and paper companies;

While simultaneously talking on cell phones in research underwritten by a $300,000 grant by AT&T Wireless communications.

Major spokesman before Congress on behalf of industries' ''regulatory reform'' agenda, while being supported by large grants of unrestricted funds from chemical, petroleum, timber, tobacco, automobile—automobile—electric power, mining, pharmaceutical, and manufacturing industries.

They continue:

We, the undersigned, faculty members at schools of medicine and public health across the United States, go to great pains to avoid criticizing a colleague in public. Indeed, in most circumstances we would rejoice over the nomination of a fellow public health professional for a senior position. . . . Yet, in examining the record of John Graham, we are forced to conclude there is such a persistent pattern of conflict of interest, of obscuring and minimizing dangers to human health with questionable cost-benefit analyses, and of hostility to governmental regulation in general that he should not be confirmed for the job. . . .

The PRESIDING OFFICER (Mr. DORGAN). The Chair advises the Senator from Illinois he has 5 minutes remaining.

The Chair recognizes the Senator from Tennessee.

Mr. THOMPSON. I thank the Chair.

Mr. President, in listening to the criticism of Dr. Graham and the implicit suggestion that he is a little less than a menace to society and that his opinions are for sale, my first reaction is that it is a very bad reflection on Harvard University that has let this kind of individual roam the streets for the last 15 years. They obviously are not aware of what he is doing.

It makes me wonder also why a professor at the University of Chicago Law School would say ''in emphasizing that environmental protection sometimes involves large expenditures for small gains, Graham is seeking to pave the way with more sensible regulation.''

I wonder, in listening to why former EPA Administrator Mr. Reilly would say: Graham would help ensure the rules implementing our environmental laws are as effective and efficient as they can be in achieving their objectives.

I am wondering in light of this man's ridiculous notions concerning scientific matters, matters of chemistry, for example, which we acknowledge we do not know anything about—we are not experts—we criticize him for not being an expert in his area; we criticize this Ph.D. scientist from Harvard for not knowing his subject matter, then we launch into a rendition of his deficiencies for his scientific analysis.

Mr. President, we are wading in way over our heads in criticizing Dr. Graham for his scientific analysis based upon excerpts, based upon false characterizations, based upon unfair characterizations of what he has said and what he has done, and we will deal with some of those.

Again, I wonder if there is any semblance of truth of this man who has headed up the Harvard Center for Risk Analysis, who has been associated with Harvard for 15 years, who has received the endorsements of Democrats and Republicans alike, who has received the endorsements of the last two people who served in this position, who are from the Clinton administration, who has received endorsements from some of the foremost authorities in the areas involved, who has received endorsements from noted scientists from around the country, and I wonder why the dean of academic affairs for the Harvard School of Public Health would say that Dr. Graham is an excellent scientist who has encouraged rationality in the regulatory process.

I wonder why a professor at Rollins School of Public Health would say: Often these public health issues are approached in a partisan way, but Dr. Graham is dedicated to using careful analysis to weigh the costs and benefits, et cetera. Dr. Hemmingway, director of Harvard Injury Control Research Center: Dr. Graham's interest is in improving the Nation's health in the most cost-effective manner.

I am wondering how all these people could be so wrong. You are going to find people who disagree with anybody, and I respect that people have differences of opinion. I wish it were sufficient to argue on the basis of those differences of opinion, on the basis of the science that is involved to the extent that we can, as nonscientists, but instead of doing that, what we are being introduced to here is an unfair rendition, what I would call basically a know-nothing kind of approach to a very complex series of scientific decisions with which we are dealing, and placing an unfair characterization on them.

I guess the one dealt with the most is dioxin. We would be led to believe that Dr. Graham's statements with regard to dioxin are outrageous. Why? Not because of any scientific knowledge we have or that has been presented on the floor of the Senate but because everybody knows dioxin is a bad thing. If he says any amount of it is not carcinogenic, he must not know what he was talking about.

I was looking at the testimony that Dr. Graham gave before our committee. He was asked by Senator DURBIN:

Do you believe that exposure to dioxin can increase your likelihood of cancer?

Mr. GRAHAM: Thank you for reminding me. I think that at high doses in laboratory animals, there is clear evidence that dioxin causes cancer.

Then he says:

In humans, I think the database is more mixed and difficult to interpret.

With regard to the low levels of dioxin not being carcinogenic, I refer to the Science Advisory Board. Their conclusion is as follows: There is some evidence that very low doses of dioxin may result in decreases in some adverse responses, including cancer, but can produce other adverse effects at the same or similar doses.

The Science Advisory Board panel recommends that the totality of evidence concerning this phenomenon continues to be evaluated by the agencies as studies become available.

This consensus conclusion by the panel is almost exactly in accord with Mr. GRAHAM's stated position at the public meeting: the other adverse effects at the very low doses we are talking about are noncancerous. He is trying to be a responsible scientist.

By placing so much emphasis on the low doses, we, because of the cancer issue, are missing the boat on the noncancer problems that dioxin causes. I don't have enough time to go into all of the detail on this, but I think we can see how unfair the characterization has been with regard to this complicated issue. We have a counterintuitive situation that Senator LEVIN pointed out with regard to thalidomide. Who would think doctors today would prescribe thalidomide under certain circumstances?

At a Governmental Affairs Committee hearing a couple of days ago, a couple of scientists attending from the National Academy of Sciences had just done a study on global warming. They pointed out certain aerosols released into the atmosphere, which we all know is a bad thing, can actually have a cooling effect in the atmosphere. We are all concerned about global warming, and this has a cooling effect. Does this mean we need to release a lot of additional aerosol? Of course not. It does not mean that. It is a scientific fact that needs to be taken into consideration.

I am sure, somewhere, if ever nominated for office, their opponents will take that statement from our hearings yesterday saying that these idiots believe we ought to be releasing aerosols in the atmosphere because it can have a cooling effect. I hope that does not happen. Unfortunately, it is sometimes the cost of public service today.

It is pointed out this man is anti-EPA and that some official somewhere at some time in the EPA has disagreed with his assessment. EPA partially funded this man's education. EPA contracts with him to do work, as we speak—not since he has been nominated. The center at Harvard has been hired by EPA to do work.

I should rest my case at that point. Of course, we never do when we should, so I will continue that fine tradition. I do have another point to make, in all seriousness, that is what this is about, which is Dr. Graham has been caught up in the debate over cost-benefit analysis. There are certain people in this country—I am sure their intentions are noble—who band together, who believe all regulations are good by definition; that there should be no questions asked about those regulations; that we should not take into account possible costs to society, whether they be tangible costs in dollars and cents or intangible costs; should not take into account whether resources could be better used for more significant environmental problems; should not take into account unintended consequences or any of those things; and that no one should ever bring up anything that challenges the common wisdom with regard to these issues, and we should only listen to sciences and promote the regulations.

When times like this come about, they band together and pull excerpts together to try to defeat people who want to bring rationality to the regulatory process.

I think they harm sensible, reasonable legislation, where moderate, reasonable people certainly want to protect us, protect this country, and protect our citizens, but, at the same time, know we are not doing our citizens any favor if we are using our resources in a way not most productive.

For example, it is proven we have been spending money on regulations pertaining to water, when the real risk was not being addressed. Some of the money should have been placed elsewhere in our water program.

How much time remains?

The PRESIDING OFFICER. Four minutes.

Mr. THOMPSON. I think that is what has happened. It has to be recognized we make the cost-benefit tradeoffs all the time. If we really wanted to save lives at the exclusion of consideration of cost to society, we would take all the automobiles off the streets and not allow anybody to drive. We know the examples, I am sure, all of us, by heart. Or we would make people drive around in tanks instead of automobiles.

There are tradeoffs we have to make. They need to be done in the full context of the political discourse by responsible people with proven records. I suggest that is the nominee we have before the Senate.

I yield the floor.

Mrs. CARNAHAN. Mr. President, the Administrator of the Office of Information and Regulatory Affairs, OIRA, within the Office of Management and Budget has the important duty of reviewing the regulations issued by all Executive Branch agencies. These regulations are critical to environmental protections, worker safety, public health, and a host of other issues. I have carefully reviewed the credentials of Dr. John Graham for this position and his testimony before the Governmental Affairs Committee. I support Dr. Graham's nomination to be the Administrator of OIRA.

Dr. Graham brings a wealth of experience and expertise to this position, including the use of cost-benefit analysis as a tool in evaluating regulations. As my colleagues know, the Clinton administration issued an Executive Order requiring the use of cost-benefit analysis to inform regulatory decisionmaking. I have no objections to the use of cost-benefit analysis as long as it is not carried too far. After all, we should not implement regulations if the costs of compliance grossly exceed the benefits the regulation would produce. It is appropriate for cost-benefit analysis to be one factor, but not the exclusive factor, in making regulatory decisions. Dr. Graham's testimony indicates that he shares this approach.

While I may not agree with Dr. Graham's application of cost-benefit analysis in every instance, I believe that President Bush is entitled, within the bounds of reason, to have someone in this position that shares his approach to governing. In my view, Dr. Graham falls within this criteria.

Mr. SMITH of New Hampshire. Mr. President, I rise in support of the confirmation of John D. Graham to be Administrator of the Office of Information and Regulatory Affairs.

Dr. Graham has been a Professor of Policy & Decision Sciences at the Harvard School of Public Health since 1991, and is the Director of the Harvard Center for Risk Analysis. Prior to that, he was an assistant professor and then associate professor at Harvard. Graham holds a B.A. in Economics and Politics from Wake Forest University, an M.A. in Public Affairs from Duke University, and a Ph.D. in Urban and Public Affairs from Carnegie-Mellon University where he was an assistant professor for the 1984–1985 academic year. Given OIRA responsibility's for ensuring that government regulations are drafted in a manner that reduces risk without unnecessary costs, Dr. Graham's qualifications to head the agency are unquestionable.

Since his nomination, he has come under fire for his work at the Harvard Center for Risk Analysis. Some who have opposed Dr. Graham have charged that he and the Center have a pro-business bias. Typically, those same people who oppose Dr. Graham, also oppose the use of comparative risk as one of many tools to be used in determining environmental policy. That is unfortunate, because the use of science and cost/benefit analysis is vital if we are to adequately focus resources on our most challenging environmental concerns.

I believe risk analysis and comparative risks give us much needed information to better understand the potential consequences and benefits of a range of choices. We all recognize that there aren't enough resources available to address every environmental threat. The Federal Government, States, local communities, the private sector, and even environmental organizations all have to target their limited resources on the environmental problems that present the greatest threat to human

health and the environment. Our focus, therefore, is, and should be, on getting the biggest bang for the limited bucks.

Comparative risk is the tool that enables us to prioritize the risks to human health and the environment and target our limited resources on the greatest risks. It provides the structure for decision-makers to: One, identify environmental hazards; two, determine whether there are risks posed to humans or the environment; and three, characterize and rank those risks. Risk managers can then use that analysis to achieve greater environmental benefits.

Last year, as the Chairman of the Environment & Public Works Committee, I held a hearing on the role of comparative risk in setting our policy priorities. During that hearing, we heard how many states and local governments are already using comparative risk assessments in a public and open process that allows cooperation, instead of confrontation, and encourages dialogue, instead of mandates. States are setting priorities, developing partnerships, and achieving real results by using comparative risk as a management tool. They are using good science to maximize environmental benefits with limited resources. I believe we should encourage and promote these successful programs.

It is important that this nation have someone like Dr. Graham to lead the OIRA. We must use reliable scientific analysis to guide us in our decision making process when it comes to environmental regulations. Dr. Graham's resume and record proves that he is the optimal person to head the office that will be making many of those decisions. Every person, Republican and Democrat, who has held the position of OIRA Administrator, except for two who are now federal judges and prohibited from doing so, have urged Senate action on his behalf. They state in a letter to the Committee Chairman and Ranking Member that, ''we are confident that [Dr. Graham] is not an 'opponent' of all regulation but rather is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.''

I am a strong proponent of protecting and preserving our environment—my record proves that fact. I am also a strong believer that we must use sound science, comparative risk analysis and cost/benefit in making environmental decisions. Science, not politics, should be our guide. We must focus our efforts in a manner that assures the maximum amount of environmental protection given the resources available. Scientific analysis allows us to make good decisions and determine where to focus our resources to ensure that our health and a clean environment are never compromised.

Mr. President, I urge my colleagues to support John Graham for Administrator of the Office of Information and Regulatory Affairs.

Mr. FEINGOLD. Mr. President, today the Senate will vote to confirm John Graham to be the head of the Office of Information and Regulatory Affairs at the Office of Management and Budget. Though I will vote for Mr. Graham, much of the information that has been presented during the nominations process to the Governmental Affairs Committee by labor, environmental and public health organizations and other respected academics creates concerns regarding this nominee and I want to share my views on the concerns that have been raised.

The individual charged with the responsibility to head OIRA will indirectly set the direction of our national policies for our natural resources, labor and safety standards. I have tried, as a member of this body, to cast votes and offer legislation that fully reflects the importance and lasting legacy of America's regulatory decisions. I also have another tradition to defend and uphold. I have committed myself to a constructive role in the Senate's duty to provide advice and consent with respect to the President's nominees for Cabinet positions. I believe that the President should be entitled to appoint his own advisors. I have evaluated Presidential nominees with the view that, except in rare of cases, ideology alone should not be a sufficient basis to reject a Cabinet nominee. Mr. Graham is not a nominee for a Cabinet post. The Office of Management and Budget, OMB, is housed within the Executive Office of the President, making Mr. Graham one of the President's closest advisors. I believe that the President should be accorded great deference by the Senate on the appointment of this advisor.

During the nominations process, I have been disturbed to learn of the fears that Mr. Graham will not live up to his responsibility to fully implement regulatory protections. I am particularly troubled by concerns that he may allow special interests greater access to OMB, and therefore greater influence in OMB's deliberations. The concerns that have been raised are that Mr. Graham will allow special interests another opportunity to plead their case during final OMB review of regulations and may permit changes to be made to regulatory proposals that those interests were unable to obtain on the merits when the regulations were developed and reviewed by the federal agency that issued them. I also have been concerned about allegations that Mr. Graham's background might cloud his judgement and objectivity on a number of regulatory issues and place him at odds with millions of Americans including members of the labor, public interest and conservation community and with this Senator.

During the 1980s, OIRA came under heavy criticism for the way in which it conducted reviews of agency rules. The public was concerned that agency rules would go to OIRA for review and sometimes languish there—for years in some cases—with little explanation to the public. Rather than a filter for regulation, it became a graveyard.

Shortly after taking office, President Clinton responded to this problem by issuing Executive Order 12866. This order set up new guidelines for transparency—building on a June 1986 memorandum by former OIRA Administrator Wendy Gramm—that have helped bring accountability to OIRA.

With my vote for this nominee, I am calling for a commitment from him. I believe that it is essential that he maintain this transparency, and even strengthen it, in this Administration. Mr. Graham, having been the center of a controversial nominations proceeding, should be the first to call for letting sunshine disinfect OIRA under his watch.

At his confirmation hearing before the Senate Governmental Affairs Committee, the new OMB Director Mitch Daniels expressed general support for transparency and accountability, but refused to endorse specifically key elements of President Clinton's executive order. At that time, Mr. Daniels would only commit to work with the Committee should the Administration decide to alter Executive Order 12866.

Now that President Bush has nominated John Graham as administrator of OIRA, and he is being confirmed today, this Senate must receive more specific assurances regarding transparency and accountability. OIRA is an extremely powerful office that has the power to approve or reject agency regulations. This makes it critical that OIRA's decision-making be open to public scrutiny. I agree strongly with the sentiments expressed in today's Washington Post editorial:

> . . . conflicts of interest must be taken seriously if there is to be any chance of building support for more systematic cost-benefit efforts. At a minimum, the experts who carry out these analyses need to disclose their financial interests (as Mr. Graham's center did), and analysts with industry ties should not dominate government advisory panels. There may be room for dispute as to what constitutes 'ties'—should an academic who accepted a consultancy fee 10 years ago be viewed as an industry expert?—but conflict-of-interest rules should err on the strict side.

The Post editorial continues,

> Mr. Graham's acceptance of industry money opened him to opportunistic attacks from those who favor regulation almost regardless of its price. The lesson is that those who would impose rigor on government must observe rigorous standards themselves. Even apparent conflicts of interest can harm the credibility of the cost-benefit analyses that Mr. Graham champions.

In the days following his confirmation, Mr. Graham should aggressively affirm OIRA's public disclosure policies and make clear the office's continued commitment to transparency. Executive Order 12866 requires that OIRA maintain a publicly available log containing the status of all regulatory actions, including a notation as to whether Vice Presidential and Presidential consideration was requested, a notation of all written communications between OIRA and outside parties, and the dates and names of individuals involved in all substantive oral

communications between OIRA and outside parties. Moreover, once a regulatory action has been published or rejected, OIRA must make publicly available all documents exchanged between OIRA and the issuing agency during the review process. Mr. Graham must continue this disclosure policy, and he should expand it to make the information more widely accessible, and make the logs available through the Internet.

Executive Order 12866 gives OMB 90 days to review rules. OMB may extend the review one time only for 30 days upon the written approval of the OMB Director and upon the request of the agency head. Mr. Graham should make clear that OIRA will stick to this time frame for reviews. Moreover, OMB has invested in making this 90 day clock an action that can be tracked by the public, which must continue. Currently, the OMB web site documents when a rule is sent to OIRA, the time it took to act on the rule, and the OMB disposition. Mr. Graham has the ability to improve the public's access to this information by making the web site searchable by agency, rule, and date, rather than posting the information in simple tabular form.

Executive Order 12866 requires OMB to provide a written explanation for all regulations that are returned to the agency, ''setting forth the pertinent provision of the Executive Order on which OIRA is relying.'' OIRA must continue to provide written justification for returned rules, and Mr. Graham should consider expanding this policy to require written justification for any modifications that are made to a rule.

Mr. Graham must take particular care in the area of communications with outside interests and set the tone for OIRA staff actions in this regard. Executive Order 12866 directs that only the administrator of OIRA can receive oral communications from those outside government on regulatory reviews. Mr. Graham should continue this standard and be stringent that this standard be employed for all personnel working in OIRA. Present policy directs OIRA to forward an issuing agency all written communications between OIRA and outside parties, as well as ''the dates and names of individuals involved in all substantive oral communications.'' Moreover, affected agencies are also to be invited to any meetings with outside parties and OIRA. These are important procedures that protect the integrity of our regulatory system.

Beyond this, however, Mr. Graham should rigorously guard against contacts that present the appearance of a conflict of interest. He is entering into a position that will, in many ways, act as judge and jury for the fate of proposed regulations. He should, like those arbiters, guard carefully his objectivity and his appearance of objectivity.

I have reviewed these procedural issues because they are critical to maintaining public confidence in OIRA's functioning. I hope that Mr. Graham will be mindful of my concerns, and that he will embrace his duty to take into account the future and forseeable consequences of his actions. I also hope that he will be guided by the knowledge that this Senator will scrutinize those consequences, and will look very carefully at the question of special interest access to OMB at every appropriate time.

Ms. COLLINS. Mr. President, I support the nomination of Dr. John Graham to be Administrator of the Office of Information and Regulatory Analysis at the Office of Management and the Budget. Dr. Graham has been a leader in the nonpartisan application of analytical tools to regulations in order to ensure that such rules really do what policymakers intend and that they represent the most effective use of our Government's limited resources.

As a professor at the Harvard School of Public Health and founder of the Harvard Center for Risk Analysis, Dr. Graham has devoted his life to seeing that regulations are well crafted and effective—and that they help ensure that our world is truly a safer and cleaner place.

The alleged ''conflicts of interest'' argued by some of Dr. Graham's opponents are clearly baseless. The Harvard Center has some of the strictest conflict of interest rules in academia, and Dr. Graham has complied fully with them. It is absurd to suggest that the bare fact of corporate research sponsorship creates a conflict. By that standard, most of the studies produced in America's universities and colleges are worthless, and few academics can ever again be found suitable for public office. Dr. Graham's critics miss their mark.

I have had the opportunity to receive input from many knowledgeable sources about Dr. Graham's nomination. One of these is Maine State Toxicologist Andrew Smith. Dr. Smith studied with Dr. Graham at Harvard, and subsequently served as a staff scientist at an organization opposed to the Graham nomination. He has told us, however, that Dr. Graham approaches regulatory analysis with an open mind and is ''by no means an apologist for anti-regulation.'' Even a quick glance at Dr. Graham's record bears this out.

Like other members of the Governmental Affairs Committee, I do not need to rely solely on second-hand information about Dr. Graham. I myself was able to work with Dr. Graham on regulatory reform legislation that had strong bi-partisan support. My personal experience in working with him confirms that what his supporters say is true: he has the experience, integrity, and intelligence to be an excellent Administrator the Office of Information and Regulatory Analysis has ever had.

Mr. President, the Senate should vote to confirm John Graham.

Mr. REID. Mr. President, I rise today to express my strong concerns regarding the President's nominee to head the Office of Information and Regulatory Affairs at the Office of Management and Budget—John Graham.

This office oversees the development of all Federal regulations. The person who leads it holds the power to affect a broad array of public health, worker safety and environmental protections.

While John Graham has impressive professional credentials, his body of work raises serious questions concerning his ability to assume the impartial posture this job demands.

To do it, this nominee would be required to put aside his passionate and long-standing opposition to public health, worker safety and environmental protections.

As any of us who have felt passionately about an issue know, this is often difficult—if not impossible—to do.

It might be like asking me to argue against nuclear safety controls and protections. I can tell you I couldn't do it.

And my concern today is that John Graham will not be able to put aside his passionate and long-held views opposing those protections.

As some of my colleagues have outlined, the nominee has argued in his writings that certain regulations are not cost-effective and don't protect the public from real risks.

He makes that judgment based upon radical assumptions about what a human life is worth—assumptions that fail to account for the benefits of regulation. His assumptions are well outside of the mainstream.

The nominee concludes that those who fail to reallocate government resources to other more cost-effective actions are, in his words, guilty of ''statistical murder.''

And who did John Graham find to be guilty of statistical murder—opponents of Yucca Mountain.

This is what the nominee had to say about it:

> The misperception of where the real risks are in this country is one of the major causes of what I call statistical murder. . . . We're paranoid about . . . nuclear waste sites in Nevada, and that preoccupation diverts attention from real killers.

Can Nevadans rely upon John Graham to impartially weigh decisions regarding Yucca Mountain when he views their concerns as ''paranoid'' and considers measures to address those concerns through public health protections as equivalent to murder?

And the nominee's strong views aren't limited to Yucca Mountain.

He holds strong views in opposition to many other public health, environmental and worker safety protections broadly supported by my colleagues and the American people—from reducing dioxin levels to protecting children from toxic pesticides.

My concerns about those views are also informed by the context in which we weigh his nomination today.

Beginning with the Card Memorandum issued the day after President Bush's inauguration—which placed important public health, worker safety and environmental protections on hold—we have seen one important public protection after another eroded.

By sending up a nominee who has dedicated the better part of his career to fighting those broadly supported protections, the President sends an unfortunate signal that the public health and environmental rollback is not at an end.

Mr. DASCHLE. Mr. President, I am voting today against the nomination of Dr. John Graham to head the Office of Information and Regulatory Affairs, OIRA, at the Office of Management and Budget.

I do not take this action lightly. I respect the tradition that deference should be given to a President's nominations for posts within an administration. Nevertheless, it is the role of the Senate to provide advice and consent to the President, and I take this responsibility seriously as well.

OIRA is a little known department that has some of the most sweeping authority in the Federal Government. It is the gatekeeper for all new regulations, guiding how they are developed and whether they are approved. Its actions affect the life of every American, everyday.

The director of this office must have unquestioned objectivity, good judgement and a willingness to ensure that the laws of the Nation are carried out fairly and fully. I regret to say that Dr. Graham's record has led me to conclude that he cannot meet these high standards.

Dr. Graham currently heads the Harvard Center for Risk Analysis, and in this capacity he has produced numerous studies analyzing the costs and benefits of Federal regulations. These studies raise serious and troubling questions about the way in which Dr. Graham would carry out his duties.

First and foremost, I am concerned that Dr. Graham has consistently ignored his own conflicts-of-interest in the studies he has conducted, and that he had not demonstrated an ability to review proposed regulations in an even-handed manner. Time after time, he has conducted studies of regulations affecting the very industries providing him with financial support. Virtually without fail, his conclusions support the regulated industry.

Dr. Graham downplayed the risks of second-hand smoke while soliciting money from Philip-Morris. He overestimated the cost of preventing leukemia caused by exposure to benzene in gasoline while accepting funds from the American Petroleum Institute. He even downplayed the cancer risk from dioxin exposure while being supported by several major dioxin producers.

This last item is perhaps the most troubling of all. Virtually since entering Congress, I have fought on behalf of the victims of Agent Orange who have suffered from cancer and other terrible illnesses due to their exposure to dioxin. There is absolutely no question that this chemical is a known carcinogen with many devastating health effects. Yet remarkably, with funding from several dioxin producers, Dr. Graham suggested that exposure to dioxin could actually protect against cancer.

I also question the analytical methods Dr. Graham uses in his studies. He contends that the cost of regulations should be the primary factor we consider, instead of the benefits they provide for health or safety. This position is totally inconsistent with many of our basic health, workplace safety and environmental laws. After all, we may be able to calculate the value of putting a scrubber on a smokestack, but how do you assign a value to a child not getting asthma? We can calculate the value of making industries treat their waste water, but what is the value of having lakes and streams in which we can swim and fish?

If Dr. Graham brings this way of thinking to OIRA, I can only conclude that it will lead to a profound weakening of the laws and regulations that keep food safe, and our air and water clean. As over two dozen of Dr. Graham's colleagues in the public health community wrote, ''We are forced to conclude that there is such a persistent pattern of conflict of interest, of obscuring and minimizing dangers to human health with questionable cost-benefit analyses, and of hostility to governmental regulation in general that [Dr. Graham] should not be confirmed for the job of Director of the Office of Information and Regulatory Affairs.''

Mr. DURBIN. It is my understanding I have 5 minutes remaining.

The PRESIDING OFFICER. That is correct.

Mr. DURBIN. Mr. President, of all the people who live in America who might have been considered for this position, I find it curious this man, John Graham, is the choice of President Bush to head up a sensitive office, this office which literally will make a decision on rules and regulations which will have an impact on families not only today but for generations to come.

During the course of this debate, we have come to the floor and spelled out how Mr. John Graham has been more than just a person making a mathematical calculation about the cost of a regulation and whether it is warranted. He has held himself out to have scientific knowledge about things that are, frankly, way beyond his education. He is a person who has written in one of his books with the forward by Cass Sunstein, who has been quoted at length on the floor here supporting Mr. Graham, that he thinks in comparison to today's fertilizers, DDT is relatively nontoxic.

Of course, that is a view that has been rejected not only by the World Health Organization but by 90 nations, and banned with only two nations in the world making DDT.

For John Graham, there is doubt. He sees no health hazard on pesticides for fruit and vegetables, but the National Academy of Sciences, the National Institutes of Health, Consumers Union, and others say he is just plain wrong.

We have heard and read his statements on dioxin, which the Senator from Tennessee has valiantly tried to reconstruct here so they do not sound quite as bad, but it is the most dangerous toxic chemical known to man, and John Graham, the putative nominee here, thinks it has medicinal qualities. He is alone in that thinking. The EPA said his statement was irresponsible and inaccurate. They read it, too. He did not have his defense team at work there. They just read it and said from a scientific viewpoint it was indefensible.

What is this all about? What is the bottom line? Why is this man being nominated? Don't take my word for it. Go to the industry sources that watch these things like a hawk: the Plastic News, the newsletter of the plastic industry in America, May 7, 2001, about Mr. Graham:

> He could lend some clout to plastics in his new job. The job sounds boring and inside the beltway, but the office can yield tremendous behind-the-scenes power. It acts as a gatekeeper of Federal regulations ranging from air quality to ergonomics. It has the power to review them and block those if it chooses to. The Harvard Center for Risk Analysis, which Graham founded and directed until Bush nominated him, gets a significant part of its $3 million annual budget from plastics and chemical companies. The Center's donor list reads like a who's who of the chemical industry.

And they go on to list some of the sponsors of Dr. Graham's institute.

Graham is well thought of by the plastics industry. A person from the industry said the Bush administration intends to make this office more important than it was in the Clinton administration, elevating it to its intended status.

They have a big stick. If the President in office allows them to use it and if they have someone in office who knows how to use it. How would they possibly use it?

Do you remember arsenic in drinking water, how the administration scrambled away from it as soon as they announced it, and the American people looked at it in horror and disgust, that they would increase the tolerance levels of arsenic in drinking water? During the course of the Governmental Affairs hearing, we asked Dr. Graham, who tells us all about DDT and pesticides and dioxin, what he thought about arsenic. He said he didn't have an opinion.

Let me give you a direct quote. I want the RECORD to be complete on exactly what he said here. I asked him:

> You have no opinion on whether arsenic is a dangerous chemical?

Professor Graham replied:

I haven't had any experience dealing with the arsenic issue, neither the scientific level nor the cost-effectiveness level of control.

You have an open mind, my friend. Give him this job and he will have an open mind about arsenic in drinking water. He has an open mind about pesticides on fruits and vegetables. He has an open mind about dioxin and its medicinal purposes. He has an open mind about the future of DDT in comparison with other chemicals. And this is the man we want to put in control, the gatekeeper on rules and regulations about public health and safety and the environment?

That is why I have risen this evening to oppose this nomination. I thank my colleagues and all those who participated in this debate. I appreciate their patience. I know we have gone on for some time, but this much I will tell you. If Mr. Graham is confirmed, and it is likely he will be, he can rest assured that many of us in this Senate will be watching his office with renewed vigilance. To put this man in charge of this responsibility requires all of us who care about public health and safety and environmental protection to stay up late at night and read every word, to watch what is going on.

We don't need any more arsenic in drinking water regulations. We don't need to move away from environmental protection. We don't need to second-guess the medical experts on the dangers of pesticide residues on fruits and vegetables and the danger of dioxin. We need sound science and objectivity, and, sadly, John Graham cannot bring them to this position, and that is why I will vote no on his confirmation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes.

Mr. THOMPSON. Mr. President, let's listen to the scientists on the Science Advisory Board to which the Senator referred.

Dr. Dennis Passionback:

I think John's point [meaning John Graham] is what you thought his point was, Mort, and that is in several studies and hypotheses over the years that there are some hormonic beneficial effects associated with dioxin and related chemicals for certain disease influences. Of course that is at very low dose of course.

These are scientists. It is easy for the rhetoric to get out of hand here, and I want to try to do my part to not engage in escalating, but I find some of the statements attributed to this man amazing. I think our colleagues know better. I think the letters of endorsement and the public endorsements belie this. I think the reflection on Harvard University is unfair. It is not uncommon for centers doing work similar to Harvard's center to receive 40 to 60 percent of their funding from the private sector.

I think what we have here is just a back and forth with regard to a man whose opponents are desperately trying to undermine this nomination. I think we have here a question concerning public service and whether or not we are going to get decent people to come into these thankless jobs to do them if we are going to see the confluence of scientific work on the one hand and the political process on the other produce such an ugly result.

I think we need to ask ourselves that question. I think we need to ask ourselves also whether or not we want to have these decisions based upon sound scientific analysis, one that is endorsed by all of the people who endorsed Dr. Graham, and say that analysis, that sound analysis that will work to our benefit.

I have a chart of all the areas where lead and gasoline, sludge, drinking water—where Dr. Richard Morganstern, economic analyst at the EPA, has shown where cost-benefit analysis, the kind that Dr. Graham proposes, has been beneficial both from a cost standpoint and increasing benefits. Let's not get into an anti-intellectual no-nothing kind of mode here and try to label these fine scientists and this fine institution with labels that do not fit and are not deserved.

I sincerely hope my colleagues will vote for this nomination.

Mr. REID. Is all time yielded back?

The PRESIDING OFFICER (Mr. BAYH). All time has expired.

LEGISLATIVE SESSION

Mr. REID. Mr. President, I ask unanimous consent that the Senate now resume legislative session.

The PRESIDING OFFICER. Without objection it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that the Senate turn to the consideration of the legislative branch appropriations bill, S. 1172; that the only amendments in order be a managers' amendment and an amendment by Senator SPECTER; that there be 10 minutes for debate on the bill and the managers' amendment, equally divided between the two managers, Senators DURBIN and BENNETT; that there be 5 minutes for debate for Senator SPECTER; that upon the disposition of these two amendments, the Senate proceed to third reading and vote on final passage of S. 1172; that when the Senate receives from the House of Representatives their legislative branch appropriations bill, the Senate proceed to its immediate consideration; that the text of the bill relating solely to the House remain; that all other text be stricken and the text of the Senate bill be inserted; provided that if the House inserts matters relating to the Senate under areas under the heading of ''House of Representatives'' then that text will be stricken; that the bill be read the third time and passed, and the motion to reconsider be laid on the table; that following the vote tonight on the Senate legislative branch appropriations bill, the Senate return to executive session and vote on the Graham nomination, followed by a vote on the Ferguson nomination, with 2 minutes for debate equally divided between these two votes; that the motions to reconsider be laid on the table, the President be immediately notified of the Senate's action; the Senate then return to legislative session, that S. 1172 remain at the desk and that once the Senate acts on the House bill, passage of the Senate bill be vitiated and it be returned to the calendar.

I further ask unanimous consent that after the first vote, the subsequent two votes be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Tennessee.

Mr. THOMPSON. At the appropriate time I will ask for the yeas and nays on the Graham nomination.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2002

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1172) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes.

Mr. DURBIN. Mr. President, pursuant to the unanimous consent request which was just allowed regarding procedures for the remainder of the evening, I will give a brief summary of this bill.

I am pleased to present to the Senate the fiscal year 2002 legislative branch appropriations bill, as reported by the full committee.

I thank Chairman BYRD for his support and the high priority he has placed on this bill. He has provided an allocation which has ensured we could meet the highest priorities in the bill. In addition, I wish to thank the ranking member of the full Committee Senator STEVENS who has been actively involved in and very supportive of this bill.

I am grateful to my ranking member, Senator BENNETT, for his important role in this process and his excellent stewardship of this subcommittee for the past 4½ years.

The fact is that this bill bears the imprint of Senator BENNETT and his hard work in keeping an eye on this particular appropriations bill. I was happy to join him in bringing this bill to the floor. I couldn't have done it without him. I appreciate all of his assistance.

The bill before you today totals $1.94 billion in budget authority and $2.03 billion in outlays. This is $103 million—5.6 percent—over the fiscal year 2001 enacted level and $104 million or 5 percent below the request level.

The bill includes $1.1 billion in title I, Congressional Operations, which is $88 million below the request and $123 million above the enacted level.

For title II, other agencies, a total of $848 million is included, $15 million below the request and $20 million below the enacted level.

The support agencies under this subcommittee perform critical functions enabling Congress to operate effectively. We have sought to provide adequate funding levels for these agencies—particularly the Library of Congress, the General Accounting Office, the Capitol Police, and the Congressional Budget Office.

For the Library of Congress and the Congressional Research Service, the bill includes $443 million. While this is $66 million below the enacted level, the decrease is attributable to last year's one-time appropriation for the digital preservation project.

The recommendation for the Library will enable the Congressional Research Service to hire staff in some critical areas—particularly technology policy.

In addition, a significant increase is provided for the National Digital Library within the Library of Congress, including information technology infrastructure and support to protect the investment that has been made in digital information.

Also in the Library's budget is additional funding to reduce the Law Library arrearage, funding for the newly-authorized Veterans Oral History Project, and funds to support the preservation of and access to the American Folklife Center's collection.

For the General Accounting Office, a total of $419 million is included. This level will enable GAO to reach their full authorized staffing level. The total number of employees funded in this recommendation is 3,275 which would put GAO at their fiscal year 1999 level and is well below their fiscal year 1995 staffing level of 4,342 FTE.

A total of $125 million is provided for the Capitol Police. This is an increase of $19 million over the enacted level. This will provide for 79 additional officers above the current level, which conforms with security recommendations, as well as related recruitment and training efforts.

It will also provide comparability for the Capitol Police in the pay scales of the Park Police and the Secret Service-Uniformed Division so the Capitol Police are able to retain their officers.

The Architect of the Capitol's budget totals $177 million, approximately $8 million above the enacted level, primarily for additional worker-safety and financial management-related activities.

We have sought to trim budget requests wherever appropriate and where we have identified problem areas. The most significant difference from the budget request is a reduction of $67 million from the Architect of the Capitol—$42 million of which is attributable to postponement of the Capitol Dome project pursuant to the request of the Architect.

We have appropriated money for the painting of the Dome to preserve it. We believe that we can get into this important building project in another year or so.

We have also recommended some very strong report language within the Architect's budget, directing them to improve their management with particular attention to worker safety, financial management, and strategic planning. I am very troubled by the Architect's operation and intend to work to make much-needed changes. I hope this language sends a strong message to the Architect that we expect major overhauls of this agency—especially in the areas of worker safety and financial management.

We have made it clear to the Architect of the Capitol that the rate of worker injury is absolutely unacceptable in the Architect of the Capitol, which is four times the average rate of the Federal Government. This must end, and we will work to make it end.

Also included is approximately $6 million for the Botanic Garden, which is to open in November 2001.

For the Government Printing Office, a total of $110 million is included, of which $81 million is for Congressional printing and binding. The amount recommended will provide for normal pay and inflation-related increases.

For the Senate a total of $603.7 million is included. This represents an increase of $81.7 million above the current level and $14 million below the request.

Of the increase, $24 million is needed to meet the Senate funding resolution, another $24 million is associated with information technology-related activities such as the digital upgrade and studio digitization of the Senate recording studio, and the balance is attributable primarily to anticipated increases for agency contributions and cost-of-living adjustments.

This is a straight-forward recommendation and I urge my colleagues to support it.

With respect to the manager's amendment, it includes a provision on behalf of Senator BINGAMAN, adding $1 million to GAO's budget for a technology assessment pilot project, offset by a $1 million reduction in the Architect of the Capitol's budget. It also includes authority for the Architect to lease a particular property for the Capitol Police, for a vehicle maintenance facility, and technical corrections.

I thank two staffers who worked tirelessly on this bill. I thank Carolyn Apostolou with the Appropriations Committee. I thank her very much for the continuity which she has shown working first for Senator BENNETT, and now for myself; and Pat Souters on my personal staff. I thank Chip Yost for his contribution to this as well.

I yield the floor to my colleague, Senator BENNETT.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, the Senator from Illinois has been very generous in his comments. I thank him for his generosity. He is being a bit modest because he took over the subcommittee with great vigor and has moved ahead on those portions of this bill in which he has a particular interest. That was demonstrated in both the report language and the priorities of the bill.

I congratulate him for the way he handled his stewardship of this particular assignment.

This is not the most glamorous subcommittee on the Appropriations Committee. But in some cases, it may be the most fun because we get to deal with people who interact with the Senate all of the time.

The Senator from Illinois has my thanks and congratulations on the work he has done. I will not review the specifics of the bill that he has gone over. I will point out that I think the increases he has cited are appropriate.

This bill has my full support. One of the items that is in the bill that the press has expressed great interest about is the million dollars that we put in for the Visitors Center. The million dollars is obviously not adequate to begin the Visitors Center. But since the House didn't put in anything, this becomes a placeholder for us to discuss an appropriation for the Visitors Center when we get to conference. I think the Congress needs the Visitors Center. The current schedule calls for it to be done prior to the inauguration of the next President, whether it be a reelection or a new election in January of 2005. That is the tight time schedule, and it will not yield. We will have an inauguration in the Capitol in January of 2005, whether the Visitors Center is done or not.

We had conversations with the Architect of the Capitol about that during his hearing. We need to get on with that as quickly as we can.

I look forward to working with Senator DURBIN as he leads us in the effort to see to it that we get the proper funding and the proper direction to see that the Visitors Center comes to pass in a timely fashion.

I am grateful to Senator DURBIN for addressing the requirement of GAO to make an updated evaluation of the feasibility of consolidating all of the Capitol Hill Police forces. They are the Capitol Police that protects us. They are the Library police. They are the Government Printing Office police. Then there is the Supreme Court Police Force.

The question is, what kind of efficiency could be gained by having all of them coordinated to produce some cost savings? That is a question that I have been addressing for some time. I appreciate Senator DURBIN's willingness to support the GAO study to look in that direction.

All in all, it has been a pleasure to work with Senator DURBIN and a delight to help put this bill together with him.

I thank the staff that have toiled late into many nights to put this before us today.

I urge the Senate to adopt it. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 1027

Mr. SPECTER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1027.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide additional funding for Members of the Senate which may be used by a Member for mailings to provide notice of town meetings)

At the appropriate place, insert the following:

MAILINGS FOR TOWN MEETINGS

For mailings of postal patron postcards by Members for the purpose of providing notice of a town meeting by a Member in a county (or equivalent unit of local government) with a population of less than 50,000 that the Member will personally attend to be allotted as requested, $3,000,000, subject to authorization: *Provided* That any amount allocated to a Member for such mailing under this paragraph shall not exceed 50 percent of the cost of the mailing and the remaining costs shall be paid by the Member from other funds available to the Member.''.

On page 33, line 6, strike ''$419,843,000'' and insert ''$416,843,000''.

Mr. SPECTER. Mr. President, only 5 minutes has been allotted for my presentation. I have asked for that limited time only realizing the lateness of the hour.

This amendment would establish a relatively small fund of $3 million to pay for notices sent to residents of small counties when a Senator comes to that county to have a town meeting.

Town meetings are in the greatest tradition of American democracy. But they have fallen into disuse in the Senate for a number of reasons. One reason is that it is very tough for Senators to go out and face constituents and listen to a variety of complaints and defend a Senator's voting record. It is more comfortable to stay inside the beltway.

But there is another reason; that is, the mail accounts are inadequate to provide for all of the funds necessary.

For my State alone, it would cost about three-quarters of a million dollars. My total budget is a little over $2 million for all of my office expenses. This is an effort to start on what I think could be a very important project.

It provides only for notices in small counties under 50,000 population. It is possible in Pennsylvania, illustratively, to cover the big cities and the suburban counties for television and newspapers. But if you take the northern tier of Pennsylvania, or the southern tier, or some of the counties, you simply can't get there unless you go there.

If a Senator is to go there, the only way you could tell people that you are coming is if you send them a simple postal paper notice—not even a name or address—just to every resident.

I had anticipated that perhaps a lively debate on this subject might have taken an hour or two.

But when I saw that the legislative appropriations bill was going to be listed this evening at about 9:30, I added three magic words to this amendment, and they are, ''subject to authorization.'' I know the Senator from Illinois is opposed to the amendment; the Senator from Utah is in favor of the amendment. We will present this matter, on another occasion, to the Rules Committee. But it is my understanding that pursuant to practice, if it passes the Senate, it is not subject to conference. I do not want to have an amendment accepted and then dropped in conference. That frequently happens.

Mr. President, how much time remains of my 5 minutes?

The PRESIDING OFFICER. The Senator retains 2 minutes 10 seconds.

Mr. SPECTER. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. Mr. President, the Chair has advised me, through staff, I have 32 seconds remaining of my initial 5 minutes. I ask unanimous consent for an additional 60 seconds, for a total of 92 seconds to reply to the Senator from Pennsylvania.

Mr. SPECTER. I am not going to object to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I will accept this amendment this evening, but as I made it clear to the Senator from Pennsylvania, I do not believe this is necessary. We appropriated about $8 million a year for Senate mailing, and the Senators did not use it. They returned $4 million.

The Senator from Pennsylvania has suggested that we need an additional $3 million when we are returning $4 million. I do not quite understand it.

I think there is adequate money to send out town meeting notices for any Senator who wishes to do so. Many Senators, including some who are in this Chamber, who will go unnamed, did not even use their mailing account last year. They left almost $100,000 in the account. And they are suggesting we need to put more money on the table for mailing.

I believe in townhall meetings. I had over 400 as a Congressman, and I support them as a Senator.

I am going to, of course, allow this amendment to go forward without objection. I will tell you, as a member of the Rules Committee, the Senator from Pennsylvania has a job to do to convince me to support it there.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I am prepared to undertake that job. And if the Senator from Illinois does not understand why I am offering this amendment, let me explain it to him.

It would cost, to circulate in Pennsylvania, $735,000, which will be about a third of my budget. We have a grave crisis in America where people think that Members of Congress are up for sale.

Campaign finance reform has been a heated subject in this Chamber and in the House Chamber. It is necessary to have fundraisers, and you cannot deny that the people who come to fundraisers have access. But I find that the best answer to that is to tell my constituents that I go to all the counties in Pennsylvania—67 counties. It is onerous. It is very worthwhile in many respects.

It is very refreshing to get outside the beltway, to find out what people are thinking about in upstate Pennsylvania; and to say that people will get a notice that ARLEN SPECTER is coming to town, and you can come there, you do not have to buy a ticket. You can listen to a short speech, about 5 minutes on an hour, and the balance of the hour is for questions and answers. That way you have participatory democracy.

So it is a partial answer to the problem of fundraisers which we hold. I think it would be great if this sort of financing would encourage Senators to go out and do town meetings, and I intend to pursue this in the Rules Committee. This is just a start. Let's see how it works. My instinct is that most of the $3 million will not be used. And while it is first-come-first-serve, you cannot spend a lot of money for the postal patron postcards going to people in counties with a population of under 50,000.

I thank the managers for accepting this amendment. I think it can prove very beneficial to the Senators and, more importantly, to America.

Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty seconds.

Mr. SPECTER. If that is all the debate, I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to amendment No. 1027.

The amendment (No. 1027) was agreed to.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 1026

Mr. DURBIN. Mr. President, I call up the managers' amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself and Mr. BENNETT, proposes an amendment numbered 1026.

Mr. DURBIN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To authorize the Architect of the Capitol to secure certain property, to fund a technology assessment pilot project, and for other purposes)

On page 8, insert between lines 9 and 10 the following:

(e) EFFECTIVE DATE.—This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 9, lines 13 and 14, strike ''as increased by section 2 of Public Law 106–57'' and insert ''as adjusted by law and in effect on September 30, 2001''.

On page 15, insert between lines 9 and 10 the following:

(d) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 16, add after line 21 the following:

(f) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 17, line 21, strike ''$55,000,000'' and insert ''$54,000,000''.

On page 17, line 25, insert ''after the date'' after ''days''.

On page 17, line 25, insert before the period the following: '': *Provided further*, That notwithstanding any other provision of law and subject to the availability of appropriations, the Architect of the Capitol is authorized to secure, through multi-year rental, lease, or other appropriate agreement, the property located at 67 K Street, S.W., Washington, D.C., for use of Legislative Branch agencies, and to incur any necessary incidental expenses including maintenance, alterations, and repairs in connection therewith: *Provided further*, That in connection with the property referred to under the preceding proviso, the Architect of the Capitol is authorized to expend funds appropriated to the Architect of the Capitol for the purpose of the operations and support of Legislative Branch agencies, including the United States Capitol Police, as may be required for that purpose''.

On page 33, line 6, strike ''$419,843,000'' and insert ''$420,843,000''.

On page 34, line 4, insert before the period the following: ''*Provided further*, That $1,000,000 from funds made available under this heading shall be available for a pilot program in technology assessment: *Provided further*, That not later than June 15, 2002, a report on the pilot program referred to under the preceding proviso shall be submitted to Congress''.

On page 38, line 15, strike ''to read''.

On page 39, line 2, insert ''pay'' before ''periods''.

Mr. DURBIN. Unless the Senator from Utah wants to speak to it, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1026.

The amendment (No. 1026) was agreed to.

Mr. DURBIN. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

INFORMATION TECHNOLOGY

Mr. NICKLES. Mr. President, I want to express my concerns to the chairman and ranking member of the Legislative Branch appropriations subcommittee about the information technology capabilities of the Senate.

I am particularly concerned that the e-mail and networking systems of the Senate do not allow Senators and their staffs to take advantage of the latest in technology innovations. For example, the cc:mail e-mail system employed by the offices of every Senator is no longer even supported by the company that developed it. It is an antiquated system that makes remote access slow and cumbersome, and does not allow for the use of wireless e-mail.

At this time, the Sergeant of Arms is looking at a January 2002 rollout of a modernized system that will bring the Senate into the 21st Century. This bill contains substantial increases in spending for the IT Support Services Division of the Sergeant of Arms. It is my understanding that some of this increase will be used for other purposes. Therefore, I ask the chairman and ranking member what portion of these increases will be used for the upgrade of the e-mail system?

Mr. DURBIN. The bill includes $1.8 million for the maintenance and support of the new e-mail system that is to be implemented beginning in January 2002. In addition, there is $6 million available in the current fiscal year that will be used for the rollout of the new system, including the necessary hardware and software.

Mr. BENNETT. The Senator from Illinois is correct, and I support the funding for the replacement of the cc:mail system.

Mr. NICKLES. I thank the Chairman and Ranking Member for their commitment to the upgrade. After two years of delays, I urge them to monitor the Sergeant of Arms to see that the system is upgraded as expeditiously as possible.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. FRIST) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 9, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—88

Akaka	Burns	Conrad
Allard	Byrd	Corzine
Allen	Campbell	Craig
Baucus	Cantwell	Crapo
Bennett	Carnahan	Daschle
Bingaman	Carper	Dayton
Bond	Chafee	DeWine
Boxer	Clinton	Dodd
Breaux	Cochran	Domenici
Bunning	Collins	Dorgan
Durbin	Kohl	Roberts
Edwards	Kyl	Rockefeller
Enzi	Landrieu	Santorum
Feingold	Leahy	Sarbanes
Feinstein	Levin	Schumer
Fitzgerald	Lieberman	Sessions
Graham	Lincoln	Shelby
Grassley	Lott	Smith (OR)
Gregg	Lugar	Snowe
Hagel	McCain	Specter
Harkin	McConnell	Stabenow
Hatch	Mikulski	Stevens
Hollings	Miller	Thompson
Hutchinson	Murkowski	Thurmond
Hutchison	Murray	Torricelli
Inouye	Nelson (FL)	Warner
Jeffords	Nelson (NE)	Wellstone
Johnson	Nickles	Wyden
Kennedy	Reed	
Kerry	Reid	

NAYS—9

Bayh	Ensign	Smith (NH)
Brownback	Gramm	Thomas
Cleland	Inhofe	Voinovich

NOT VOTING—3

Biden	Frist	Helms

The bill (S. 1172), as amended, was passed.

(The bill will be printed in a future editon of the RECORD.)

Mr. REID. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

EXECUTIVE SESSION

NOMINATION OF JOHN D. GRAHAM, OF MASSACHUSETTS, TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS

The PRESIDING OFFICER. The Senate will now proceed to executive session. Under the previous order, the question occurs on agreeing to the nomination of John D. Graham of Massachusetts to be Administrator of the Office of Information and Regulatory Affairs.

Mr. THOMPSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DURBIN. Mr. President, point of clarification. Under the unanimous consent request, Senator THOMPSON and I each have a minute before the vote; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Tennessee is recognized.

Mr. THOMPSON. Mr. President, John Graham has had a distinguished career. He has been head of the Harvard Center for Risk Analysis for the last 15 years and has been called the ''best-qualified person'' who has come down the road for this position by Bob Leiken of the Brookings Institution.

Some people don't like scientific facts that don't comport with their ideology, even if it is supported in the scientific community. He has been criticized, he has had selected excerpts taken from his works, and he has been unfairly characterized.

They have taken complex scientific issues and even though they might be

counterintuitive for many of us, they are supported by the scientific community.

Mr. President, the merging of scientific analysis and the political process sometimes is not a pretty picture, and this one has not been either. But I suggest there have been a lot of people asleep on the job and very negligent if this gentleman is not qualified and has really adhered to some of the views attributed to him.

Leaders of public policy in this country: scientists, academics, Democrats and Republicans, the last two Democrats who have held this position, support this man. I suggest a strong vote for him is merited, and I sincerely urge that. I yield the floor.

Mr. DURBIN. Mr. President, if my colleagues followed the debate this evening, they know John Graham's views on science really are not in the mainstream by any stretch. He has made statements that pesticide residues on fruits and vegetables are not a public hazard. He has some theory described as irresponsible and inaccurate: Dioxin somehow cures cancer and does not cause cancer.

He questions whether or not DDT should have been banned, and this is the man who will be in charge of the agency which has the last word on rules and regulations for public health and safety and environmental protection.

We can do better in America. President Bush can do better. I urge my colleagues to join Senators LIEBERMAN, KERRY, and myself in opposing this nomination.

The PRESIDING OFFICER. All time is yielded back. The question is, Will the Senate advise and consent to the nomination of John D. Graham, of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget?

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. FRIST) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

The PRESIDING OFFICER (Mr. CARPER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 242 Ex.]

YEAS—61

Allard	Collins	Hutchinson
Allen	Craig	Hutchison
Bayh	Crapo	Inhofe
Bennett	DeWine	Jeffords
Bond	Domenici	Johnson
Breaux	Ensign	Kyl
Brownback	Enzi	Landrieu
Bunning	Feingold	Levin
Burns	Fitzgerald	Lincoln
Byrd	Graham	Lott
Campbell	Gramm	Lugar
Carnahan	Grassley	McCain
Carper	Gregg	McConnell
Chafee	Hagel	Miller
Cochran	Hatch	Murkowski
Nelson (NE)	Smith (NH)	Thompson
Nickles	Smith (OR)	Thurmond
Roberts	Snowe	Voinovich
Santorum	Specter	Warner
Sessions	Stevens	
Shelby	Thomas	

NAYS—37

Akaka	Dorgan	Murray
Baucus	Durbin	Nelson (FL)
Biden	Edwards	Reed
Bingaman	Feinstein	Reid
Boxer	Harkin	Rockefeller
Cantwell	Hollings	Sarbanes
Cleland	Inouye	Schumer
Clinton	Kennedy	Stabenow
Conrad	Kerry	Torricelli
Corzine	Kohl	Wellstone
Daschle	Leahy	Wyden
Dayton	Lieberman	
Dodd	Mikulski	

NOT VOTING—2

Frist	Helms

The nomination was confirmed.

Mr. DASCHLE. Mr. President, for the information of our colleagues, the next vote will be the last vote. There will be three votes on judicial nominations at 9:45 tomorrow morning. Those will be the last votes of the day. The next vote will occur, then, on Monday, at 5:45. This is the last vote for the day.

NOMINATION OF ROGER WALTON FERGUSON, JR., OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the clerk will report the nomination.

The legislative clerk read the nomination of Roger Walton Ferguson, Jr., of Massachusetts, to be a Member of the Board of Governors.

The PRESIDING OFFICER. There are 2 minutes equally divided on the nomination.

Mr. SARBANES. Mr. President, I urge Members to approve the nomination. Mr. Ferguson has been serving on the Federal Reserve Board and was nominated by President Clinton. His nomination was resubmitted by President Bush. The committee reported out overwhelmingly in favor of his nomination. I urge his approval.

I yield back the remainder of my time.

Mr. BUNNING. Mr. President, unfortunately I must rise today to oppose the nomination of Roger Ferguson to be a member of the Board of Governors of the Federal Reserve.

I usually don't vote against presidential nominees. I believe, in most cases, that we should defer to the president and allow him to appoint his own people.

However, there are times when I am forced to stand up and to vote against the president. I do not enjoy doing this, but I have no doubt that I will be making the right vote for Kentucky and the nation.

Roger Ferguson is a very accomplished man. He is quite qualified to be a Federal Reserve Governor.

He is currently vice chairman. But I cannot, in good conscience, support his nomination for a 14-year term.

It is not Dr. Ferguson's qualifications that concern me; it is his judgment that does.

Right now we are in an economic slowdown. The evidence was there last September. But Chairman Greenspan and the Federal Reserve did not act in September.

They did not act in October.

They did not act in November.

They did not act in December.

They did finally act in January.

Since then, the Fed, to its credit, has continued to move the federal funds rate, cutting it 6 times. But the damage has already been done.

What concerns me about Dr. Ferguson is the response he gave to me in the Banking Committee when I asked him this question: ''Hindsight being 20/20, do you think the Fed waited too long to reduce the target federal funds rate?''

Dr. Ferguson's response was: ''No, sir. Even with 20/20 hindsight, I do not believe that to be the case.''

Mr. President, I simply can't understand that answer. Knowing what we know now, it just doesn't make sense.

During that time last year, practically every single economic indicator was headed straight down.

The markets, especially the NASDAQ were dropping, causing wealth to be taken out of the economy. Corporations were announcing layoffs, not just dot-coms, but companies like GE.

The index of leading economic indicators started to fall. And consumer confidence started dropping. And GDP slowed markedly.

Anyone I've talked to since then, now says that, looking back, it's pretty clear that the Fed was slow at the switch in recognizing and reacting to the warning signs.

Six rate cuts this year is clear evidence of this. That's the most in such a short period of time in decades, and shows just how precarious a position our economy was in.

We're still having trouble turning the corner, and even now there are warning signs that our economic slowdown is causing a ripple effect around the globe.

Who knows what would have happened if the Fed had cut rates sooner. If Dr. Ferguson is confirmed, I'm afraid we probably never will.

That truly worries me.

I am afraid that he is looking over his shoulder already, and is concerned about how the Fed Chairman is going to react to his remarks.

I think Dr. Ferguson was afraid to criticize the chairman and to upset the apple cart.

But I believe that we need strong, independent Fed Governors who are willing to challenge the status quo and to make the hard call.

I am afraid that Dr. Ferguson does not fit this bill.

We do not need Alan Greenspan clones who will never question the chairman, who will never take the contrary view.

What we need are Fed nominees who will be independent. We need nominees who will stand up to the chairman if they believe he is wrong.

I do not believe Dr. Ferguson will assert that independence. I believe his answer to my question in the Banking Committee proves that.

For this reason, I reluctantly vote ''no'' on the nomination of Dr. Roger Ferguson, to a 14-year term as a member of the Board of Governors of the Federal Reserve.

The PRESIDING OFFICER. All time has been yielded back.

Mr. BREAUX. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Roger Walter Ferguson, Jr., to be a Member of the Board of Governors of the Federal Reserve System? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 243 Exec.]

YEAS—97

Akaka	Durbin	McCain
Allard	Edwards	Mikulski
Allen	Ensign	Miller
Baucus	Enzi	Murkowski
Bayh	Feingold	Murray
Bennett	Feinstein	Nelson (FL)
Biden	Fitzgerald	Nelson (NE)
Bingaman	Frist	Nickles
Bond	Graham	Reed
Boxer	Gramm	Reid
Breaux	Grassley	Roberts
Brownback	Gregg	Rockefeller
Burns	Hagel	Santorum
Byrd	Harkin	Sarbanes
Campbell	Hatch	Schumer
Cantwell	Hollings	Sessions
Carnahan	Hutchinson	Shelby
Carper	Hutchison	Smith (NH)
Chafee	Inhofe	Smith (OR)
Cleland	Inouye	Snowe
Clinton	Jeffords	Specter
Cochran	Johnson	Stabenow
Collins	Kennedy	Stevens
Conrad	Kerry	Thomas
Corzine	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wellstone
Dodd	Lincoln	Wyden
Domenici	Lott	
Dorgan	Lugar	

NAYS—2

Bunning	McConnell

NOT VOTING—1

Helms

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR WASTE

Mr. REID. Mr. President, I hope everyone recognizes the tremendous tragedy we sadly heard of yesterday in Baltimore. A train derailed in a tunnel. The fire is still burning. The hydrochloric acid is still leaking from that tank. Last night, the city of Baltimore, one of the largest cities in America, was closed down. The Baltimore Orioles were in the middle of a doubleheader. They stopped the game and sent everybody home.

The reason I mention this is there has been a mad clamor about the nuclear power industry and shipping nuclear waste. The nuclear industry doesn't care where it goes, although they are focused on Nevada for the present time. I think everyone needs to recognize that transporting hazardous materials is very difficult. If people think hydrochloric acid is bad—which it is—think about how bad nuclear waste is. A speck the size of a pinpoint would kill a person. We are talking about transporting some 70,000 tons of it all across America.

I hope before everybody starts flexing their muscles about the reestablishment of nuclear power in this country that we recognize first there has to be something done with the dangerous waste associated with nuclear power.

It is estimated that some 60 million people live within a mile of the routes that may be proposed for transporting this nuclear waste by train or truck. Not to mention the problems related to terrorism, which we have discussed at some length on this floor in previous debates.

We should leave nuclear waste where it is. Eminent scientists say it is safe. It could be stored onsite in storage containers for a fraction of the cost of a permanent repository. It would be much less dangerous. It could be stored relatively safely for 100 years, the scientists say. During that period of time, we might develop a breakthrough idea as to what could be done safely with these spent fuel rods.

RADIATION EXPOSURE CLAIMS

Mr. DOMENICI. Mr. President, I would like to speak today about a group of Americans, some of whom are in my State. Some are in Arizona. Some are in Wyoming. Some are in Connecticut. These people have only one thing in common: they are the beneficiaries of an American law that is called RCRA, the Radiation Exposure Compensation Act. A number of us were part of getting that law passed. It was a recognition that there were certain Americans, including uranium miners and some others, who very well might have been overexposed to low-level radiation when they were mining in uranium mines that weren't aerated—where they did not have enough air conditioning and not enough clean air. They may have very well during their lives breathed in radiation and contracted serious illnesses. Some might have died. Some may today be suffering from cancer or other diseases.

In any event, this law was passed. It was kind of heralded as a very good commitment by the Government and very simple. You didn't have to get a lawyer for these claims. It was limited to $100,000 in exchange for making it simple and setting some standards: You can come in and prove your case. You could probably prove your claim in a relatively short period of time.

Lo and behold, if Congress put the money up, you would get your check. You could get it as a widow. You could get it as one who was sick. You could get it as anyone entitled to it under the statute. It worked pretty well for a while.

Then something very ghastly happened for the beneficiaries. Pretty soon, they started going to the Justice Department which has charge of these claims and asking them for money.

The Justice Department told this growing group of Americans: We don't have any money.

They said: What do you mean? Here is the law.

They said: Well, Congress didn't put up the money. We ran out. So you will not be worried, why don't we give you an IOU. Here is your assurance that the Government says it owes you $100,000.

These people started coming to see their Senators—not only me but Senator BINGAMAN and other Senators—saying, time is passing. I am getting sicker. I may even die, and I have an IOU from this great big American Government. Why can't they pay me?

Let me say in this Chamber that it is embarrassing to say it even here, but it is more embarrassing to say it to the victims. There is a big series of discussions going on between committees—even appropriations subcommittees—as to which one ought to appropriate the money.

In the meantime, no money is appropriated. People walk around with the IOUs filing their claims, and they are working on them day by day. And another law passes. It is for a larger group of Americans who come in to adjudicate their claims for exposure to low-level radiation. It is for radiation where we had uranium in a Richmond,

VA, mine or perhaps in Paducah, KY, and various places in Ohio. For this larger group of people, those claims are still being worked.

We say: Well, time has passed, and maybe these claims should be a little higher. So they are awarded $150,000 if they can prove the claim that they are either totally disabled or are an heir.

Congress in that case—coming out of a different committee—made that program an entitlement. Even the occupant of the Chair, who is a new Senator, would understand that those claims are paid without anybody appropriating it—just like the Social Security check or your veterans check.

Here is one group of Americans filing their claims. Some of them are already adjudicated; we stamp out a check, while over here another group of Americans carry around IOUs.

A number of Senators have been working on this issue. A number of House Members have been working on it. My friend, Senator BINGAMAN, has been working on it.

But essentially our last opportunity to cease the embarrassment and do something half fair was to put language in the supplemental appropriations bill that would see to it that for any claims already finished where people are carrying around the IOUs, or any that are completed for the rest of this year, there is money for them. We provided that in the Senate bill on supplemental appropriations.

Frankly, we even had to find a way to pay for it because it had to be budget neutral. So we found a way to pay for it. I did, out of a program I started a few years ago. I said: It is not being used, so cancel it so we have room.

Today, at about 10:30, 11 o'clock this morning, after a number of days of conferring, the House-Senate committee on that bill approved it. It should come back before us very soon and get approval. It has language in it that says whatever amount of money is needed for those holding those IOUs and for those finishing up their claims by the end of this fiscal year, they will have the money in the Justice Department to pay it.

I say to the Senate, I know it is difficult, unless you have this problem, for you to be as concerned as I or those in my particular region. But I thought maybe I should tell the whole Senate because it is time they know that this is a festering embarrassment.

Is it solved? No. The appropriations bill that is going to put in money for next year only carries a small amount of money because it expects, as does the President in his budget, to convert this program to an automatic payment program called a mandatory or an entitlement. But we have not been able to get that done yet.

So I have said it for a second reason. I hope the committees that are considering it—and I will do my best to go see the committees to make myself understood, and take with me whatever evidence I need to convince the chairmen and ranking members they ought to make this an entitlement. But in the meantime, the people who have claims right up until the end of this year will get paid. It will take a couple weeks, so they should not be coming into our offices saying thank you yet, nor should they come in and ask where is the money. They just have to wait a little while. It takes a little bit of time.

I thought, since we see them and we hear them, that maybe I should let the Senate vicariously hear them—you can't see them, but you can hear them through me.

What we have to do is not let another year pass because this is a problem, whether or not you come from a State that has ''down-winders'' and/or uranium miners; this carries with it some very serious kinds of overtones for the U.S. Government. You create a program. You tell people: We have been sorry for you up until now, but we will give you a little claim here—$100,000—and then, when you prove it up, you will take it, and you no longer have any claims, and we have said that we have paid you. It is just not right that you do not do it, just not right.

It is growing. The newspeople are starting to carry it. I guess they are starting to carry: ''Congress finally puts up the money today.'' That is good. But I hope there is a lingering interest in how we fix it. It should not be that 6 months into next year somebody exposed to low-level radiation at one of America's uranium enrichment plants proves their claim and gets an automatic check, but yet you have these people who might have worked 35 years ago, for 20 years, in a nonaerated uranium mine, where the U.S. Government, even through its heralded Atomic Energy Commission, which I know a lot about, made a mistake with reference to the quality of air in the mines—where acknowledgements were made many years later; and it is hard to get the acknowledgement, but we finally got it—yet a mistake was made.

So I thought it would be good, while we had nothing to do in this Senate Chamber, that maybe we could spread this story of what has happened and say thank you to the Appropriations Committee for the emergency measure today. And we look forward to one of our committees passing a bill that will make these few remaining people who are entitled to it know they will get their money when their claim is adjudicated.

JACKIE M. CLEGG

Mr. SARBANES. Mr. President, I seek recognition to express a deep appreciation for the dedicated service of Jackie M. Clegg as first Vice President and Vice Chair of the Export-Import Bank of the United States.

As I think many of my colleagues are aware, Jackie's 4-year term at the Eximbank will be concluding on tomorrow, July 20. As chairman of the Senate Committee on Banking, Housing, and Urban Affairs, I note our committee's gratitude and, indeed, the gratitude of the Senate for the many extraordinary contributions she has made to the Export-import Bank during her tenure.

Jackie spent more than 8 years in a series of senior positions at the Eximbank, devoting herself tirelessly to the agency's mission of supporting U.S. exporters and sustaining American jobs. She first joined the Eximbank in April of 1993, served as special assistant, chief of staff and vice president for congressional and external affairs, prior to her nomination, in May of 1997, to be first Vice President and Vice Chair of the Export-Import Bank.

Her exceptionally effective service at the Eximbank was a logical outgrowth of her extensive legislative staff career in the Congress. She worked for more than a decade as the legislative assistant for foreign policy, trade, and national security issues, for Senator Jake Garn of her home State of Utah, as an associate staff member to the Appropriations Committee, and later as a professional staff member on the Senate Banking, Housing, and Urban Affairs Subcommittee on International Finance and Monetary Policy.

It thus came as no surprise to us in the Congress when Jackie skillfully led the bank's efforts on its reauthorization legislation in 1997.

The legislation received overwhelming bipartisan support in the Congress and set the stage for the agency's excellent work on behalf of U.S. exporters during her term.

We on the Banking Committee have had the benefit of Jackie's wise counsel on export and trade matters for several years. She has an acute sense of the relationship among Federal agencies, Congress, foreign governments, and the business community.

In her travels on the Bank's behalf, and in her speeches, Jackie has raised awareness of the critical nature that international trade and trade finance can play in improving the lives of our citizens. Jackie has also devoted herself to improving the management of the Eximbank and its responsiveness to staff concerns. She has helped shepherd the Bank towards increased automation as a means of better fulfilling its objective of satisfying the needs of small business. She has served as both an institutional memory and a trailblazer—traits not often found in the same person.

The board of directors of the Eximbank today adopted a resolution expressing its appreciation and thanks to Jackie for her distinguished service to the Bank.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. Mr. President, for those of us who have supported and

worked with the Eximbank, it is a loss that Jackie Clegg has chosen to leave public office at this time. We recognize, however, she has a special reason for moving on, and many of us have already extended our congratulations to Jackie and our colleague, the distinguished Senator from Connecticut, Senator DODD, as they start a family. But I want to thank her before she leaves office for her outstanding service to the Nation through her many contributions to the work of the Export-Import Bank of the United States.

EXHIBIT 1

EXPORT-IMPORT BANK OF THE UNITED STATES
RESOLUTION

Whereas Jackie M. Clegg has served with distinction as First Vice-President and Vice Chairman of the Export-Import Bank of the United States since June 17, 1997; and

Recognizing, that she has spent more than eight years in a series of senior positions at the Ex-Im Bank, devoting herself to the agency's mission of supporting U.S. exporters and sustaining American jobs; and

Recognizing further, that her success at the Ex-Im Bank is a logical outgrowth of her extensive U.S. Senate staff career, including more than a decade of work as a legislative assistant for foreign policy, trade, national security, banking, and appropriations issues; and

Recognizing further, that she led the Bank's efforts on its reauthorization legislation in 1997, which received overwhelming bipartisan support in the Congress and has made it possible for the Bank to serve better the needs of U.S. exporters, earning her the admiration and respect of numerous Members of Congress, the Executive Branch, and the exporting community; and

Recognizing further, that she demonstrated leadership and creativity as the Bank tackled critical issues such as resolving international financial challenges, balancing the need for environmental protection with promoting business opportunities, and increasing trade opportunities for small businesses, particularly those owned by women, minorities, and Americans who live in rural areas; and

Recognizing further, that she devoted herself to enhancing the quality of life for the Bank's career staff through innovation and a commitment to training, advancement, and empowerment; and

Recognizing further, that she has brought great credit to the Bank and succeeded in raising awareness of the agency and its mission, thereby expanding exporting opportunities for American companies and enhancing their competitiveness in the global marketplace; and

Recognizing further, that her intelligence, dedication, warmth, and leadership have earned her the friendship, affection, and respect of Export-Import Bank colleagues at all levels of the agency;

Now, therefore, be it resolved. That the Directors of the Bank, individually and on behalf of the entire Bank, hereby express their sincerest appreciation and thanks to Jackie M. Clegg for her distinguished service to the Bank and extend to her best wishes in all future endeavors.

JOHN E. ROBSON,
President and Chairman.
DAN RENBERG,
Director.
D. VANESSA WEAVER,
Director.

Mr. REID. Mr. President, I ask unanimous consent that the Senator's morning business time be extended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I say to my friend, I also have gotten to know Jackie Clegg. I met Jackie when she was a staff person for Senator Garn on the Appropriations Committee. She would come and be at his side and was his voice and ears on that committee—an important committee on which he did so well for the State of Utah. I got to know her better when she went to the Eximbank. We think of the Bank—I always did—as being something that was done in places other than in the United States. But she was kind and professional enough to do a meeting in Las Vegas for me of the Eximbank. There was tremendous interest of Las Vegas businesspeople in what that Bank could do and could not do. People were brought to a meeting in Las Vegas, and I can say it was one of the most successful of that type of meeting I have ever held.

She will be missed. Of course, being chairman of the Banking Committee and having worked in the area a long time, you certainly understand, having worked so closely with her, more than most of us how important that Bank is. I appreciate the Senator mentioning Jackie very much. However, I am very confident that her new role, as important as her old role was, will be even more important. I know she is looking forward to it. She will be a great mother, and I look forward to seeing her with her new baby in just a few months.

Mr. SARBANES. I thank the Senator for his comments.

Mr. REID. May I say also, while I have the Senator's attention, I say to my friend, the senior Senator from Maryland, I have been so impressed in watching what is taking place in Baltimore in the last 24 hours—almost exactly 24 hours now—to see the work of professionals there with the terrible tragedy that took place in the tunnel. I am confident that the Senator is as impressed as I am with the great work being done by the people from Maryland and Baltimore, and the other entities of which I am not totally aware, in averting a disaster that could have been much worse.

Mr. SARBANES. I thank the Senator. They are still working on that problem. It has not been fully resolved yet. I received a message from Mayor O'Malley that the fire is still smoldering. But they have had terrific intergovernmental cooperation throughout in trying to address this pressing issue. We are hopeful that it will be resolved soon. The tunnel is a mile and a half long, and so they are pulling these cars out of the tunnel—decoupling them and pulling them out. So that process is still underway, but we hope it can be carried through to completion without worsening of conditions.

Mr. REID. This points out how dangerous it is to transport hazardous materials. Certainly, this is a clear indication of how dangerous it really is.

Mr. SARBANES. The other thing—if the Senator will yield for a minute—I think it points out the need for us to make investment in our Nation's infrastructure. We have been trying for a long time to get a real commitment at the Federal level, to be matched at the State and local level, for operating infrastructure. I think it is something we need constantly to keep in mind and not lose sight of. We are making a number of these budget priorities, including sweeping tax cuts, for example, and at the same time all across the country we are being challenged by major needs in terms of the Nation's infrastructure. This is an obvious instance of transportation infrastructure and communications. I hope we will be able to come to grips with that issue and make a major national commitment with respect to upgrading the Nation's infrastructure.

Mr. REID. Mr. President, I am going to hold a hearing next week on the Environment and Public Works Committee. I am now the subcommittee chair on the committee with jurisdiction over this country's infrastructure. The first hearing I am going to do is going to be involved with the mayors of major cities in the United States, to have them start telling us what some of our major urban cities need. We are tremendously deficient in what we have not done to help cities and, of course, other parts of our country.

This is not a problem that developed today. We have been ignoring this for far too long. The Senator is absolutely right. We now are looking at budgetary constraints that make it very difficult for us to address some of the most grievous things facing this country as relates to infrastructure. That is one of the reasons I am holding this hearing. We can no longer hide our head, bury our heads in the sand, and say they don't exist. These problems exist. The Senator is so right, and the Public Works Committee is going to start addressing this next week.

Mr. SARBANES. I commend the Senator for that initiative. I think it is extremely important. I think we have to get across the understanding that these public investments in infrastructure are essential to the private sector activity. In other words, there is a relationship between making available a first-class public infrastructure—for example, transportation—and the ability then of the private sector to efficiently carry out its business. I think we need to perceive it in those terms because people come out and say you are just talking about making a public expenditure, but this is a public expenditure with wide-ranging consequences and implications for the effective working of the private sector of the economy.

Mr. REID. I will finally say to my friend, you are so right. Some of the people who want to spend less money than anyone else are the so-called market-oriented people. The fact is, Adam Smith, in his book ''Wealth of Nations,'' in 1776, said that governments

had certain responsibilities, and one of those responsibilities is things about which we are speaking, things we cannot do for ourselves. Only governments can do roads, highways, bridges, dams, sewers, water systems. So we go right back to the basic book of the free enterprise system, and that is what we are talking about.

Mr. SARBANES. That is right.

ENERGY, OPEC, AND ANTITRUST LAW

Mr. SPECTER. Mr. President, I have sought recognition to discuss briefly this afternoon, in the absence of any activity on the pending legislation, and in the absence of any other Senator seeking recognition, to discuss a subject which was talked about at the energy town meeting which Vice President CHENEY had in Pittsburgh on Monday of this week, July 16.

At that time, I had an opportunity to address very briefly a number of energy issues. I talked about the possibility of action under the U.S. antitrust laws against OPEC which could have the effect of bringing down the price of petroleum and, in turn, the high prices of gasoline which American consumers are paying at the present time.

I have had a number of comments about people's interest in that presentation. I only had a little more then 3 minutes to discuss this OPEC issue and some others. I thought it would be worthwhile to comment on this subject in this Senate Chamber today so that others might be aware of the possibility of a lawsuit against OPEC under the antitrust laws.

I had written to President Clinton on April 11 of the year 2000 and had written a similar letter to President George Bush on April 25 of this year, 2001, outlining the subject matter as to the potential for a lawsuit against OPEC. The essential considerations involved whether there is sovereign immunity from a lawsuit where an act of state is involved, and the decisions in the field make a delineation between what is commercial activity contrasted with governmental activity. Commercial activity, such as the sale of oil, is not something which is covered by the act of state doctrine, and therefore is not an activity which enjoys sovereign immunity.

There have also been some limitations on matters involving international law, as to whether there is a consensus in international law that price fixing by cartels violates international norms. In recent years, there has been a growing consensus that such cartels do violate international norms, so that now there is a basis for a lawsuit under U.S. antitrust laws against OPEC and, beyond OPEC, against the countries which comprise OPEC.

After writing these letters to President Clinton and President Bush, I found that there had, in fact, been litigation instituted on this precise subject in the U.S. District Court for the Northern District of Alabama, Southern Division, in a case captioned ''Prewitt Enterprises, Inc. v. Organization of the Petroleum Exporting Countries.'' In that case, neither OPEC nor any of the other countries involved contested the case, and a default judgment was entered by the Federal court, which made some findings of fact right in line with the issues which had been raised in my letters to both Presidents Clinton and Bush.

The court found that OPEC had conspired to implement extensive production cuts, that they had established quotas in order to achieve a specific price range of $22 to $28 a barrel, and that the cost to U.S. consumers on a daily basis was in the range of $80 to $120 million for petroleum products. That is worth repeating. The cost to U.S. consumers was $80 to $120 million daily.

The court further found that OPEC was not a foreign state. The court also found that the member states of OPEC, although not parties to the action, were coconspirators with OPEC, and that the agreement entered into by the member states of OPEC was a commercial activity, and the states, therefore, did not have sovereign immunity for their actions.

The court further found that the act of state doctrine did not apply to the member states and that OPEC's actions were illegal ''per se'' under the Sherman and Clayton Acts.

The court then issued an injunction, which is legalese for saying OPEC could no longer act in concert to control the volume of the production and export of crude oil.

The court found that the class of plaintiffs was not entitled to monetary damages because they were what is called ''indirect purchasers.'' That is a legal concept which is rather involved which I need not discuss at this time. But the outline was established, and the findings of fact and conclusions of law were established by the Federal court that indeed there was a cartel, there was a conspiracy in restraint of trade, U.S. laws were violated, U.S. consumers were being prejudiced, and an injunction was issued.

Then, a unique thing occurred. After the court entered its default judgment and injunction, OPEC entered a special appearance in the case, and asked the court to dismiss the case. Three nations, who were not parties to the case—Saudi Arabia, Kuwait, and Mexico—then sought leave of the court to file ''amicus'' briefs in support of OPEC's motion to dismiss, which means, in effect, that they wanted to assist OPEC in defending the matter. I think it is highly significant that those nations, which are characteristically and customarily oblivious and indifferent and seek to simply ignore U.S. judicial action, had a change of heart and decided to come in.

They must have concluded that an injunction by Federal court was something to be concerned about. I think, in fact, it is something to be concerned about.

In an era where we are struggling with an extraordinarily difficult time of high energy costs, with real concerns laid on the floor of the Senate about where additional drilling ought to be undertaken, about the problems with fossil fuels, about our activities to try to find clean coal technology to comply with the Clean Air Act, at a time when we are looking for renewable energy sources such as air and wind and hydroelectric power, there is a long finger to point at the OPEC nations which are conspiring to drive up prices in violation not only of U.S. law but in violation of international law.

This is a subject which ought to be known to people generally. It ought to be the subject of debate, and it ought to be, in my opinion, beyond a class action brought into the Federal court by private plaintiffs, which is something that the Government of the United States of America ought to consider doing as has been set forth in the letters which I sent to President Clinton last year and to President Bush this year.

It is especially telling when we have Kuwait gouging American consumers, after the United States went to war in the Persian Gulf to save Kuwait. It is equally if not more telling that Saudi Arabia engages in these conspiratorial tactics at a time when we have over 5,000 American men and women in the desert outside of Riyadh. I have visited there. It is not even a nice place to visit, let alone a nice place to live, in a country where Christians can't have Christmas trees in the windows and Jewish soldiers don't wear the Star of David for fear of being the victims of religious persecution; and Mexico, a party to these practices, notwithstanding our efforts to be helpful to the Government of Mexico.

But fair is fair. Conspiracies ought not to be engaged in. Price fixing ought not to be engaged in. If there is a way within our laws to remedy this, and I believe there is, that is something which ought to be considered.

I am not unmindful of the tender diplomatic concerns where every time an issue is raised, we worry about what one of the foreign governments is going to do, what Saudi Arabia is going to do—that we should handle them with ''silk gloves'' only. But when American consumers are being gouged up to $100 million a day on petroleum products, this is something we ought to consider and, in my judgment, we ought to act on.

We have seen beyond the issue of antitrust enforcement a new era of international law, with the War Crimes Tribunal at The Hague prosecuting war criminals from Yugoslavia, and now former President Milosevic is in custody. We also have the War Crimes Tribunal at Rwanda. A new era has dawned where we are finding that the international rule of law is coming into common parlance. That long arm of

the law, I do believe, extends to OPEC, and there could be some very unique remedies for U.S. consumers.

I ask unanimous consent to print my letter to President Bush, dated April 25, 2001, in the RECORD.

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

U.S. SENATE,
Washington, DC, April 25, 2001.

President GEORGE WALKER BUSH.
The White House,
Washington, DC.

DEAR MR. PRESIDENT: In light of the energy crisis and the high prices of OPEC oil, we know you will share our view that we must explore every possible alternative to stop OPEC and other oil-producing states from entering into agreements to restrict oil production in order to drive up the price of oil.

This conduct is nothing more than an old-fashioned conspiracy in restraint of trade which has long been condemned under U.S. law, and which should be condemned under international law.

After some research, we suggest that serious consideration be given to two potential lawsuits against OPEC and the nations conspiring with it:

(1) A suit in Federal district court under U.S. antitrust law.

(2) A suit in the International Court of Justice at the Hague based upon ''the general principles of law recognized by civilized nations.''

(1) A suit in Federal district court under U.S. antitrust law.

A strong case can be made that your Administration can sue OPEC in Federal district court under U.S. antitrust law. OPEC is clearly engaging in a ''conspiracy in restraint of trade'' in violation of the Sherman Act (15 U.S.C. Sec. 1). The Administration has the power to sue under 15 U.S.C. Sec. 4 for injunctive relief to prevent such collusion.

In addition, the Administration has the power to sue OPEC for treble damages under the Clayton Act (15 U.S.C. Sec. 15a), since OPEC's behavior has caused an ''injury'' to U.S. ''property.'' After all, the U.S. government is a consumer of petroleum products and must now pay higher prices for these products. In Reiter v. Sonotone Corp, 442 U.S. 330 (1979), the Supreme Court held that the consumers of certain hearing aides who alleged that collusion among manufacturers had led to an increase in prices had standing to sue those manufacturers under the Clayton Act since ''a consumer deprived of money by reason of allegedly anticompetitive conduct is injured in 'property' within the meaning of [the Clayton Act].''

One issue that would be raised by such a suit is whether the Foreign Sovereign Immunities Act (''FSIA'') provides OPEC, a group of sovereign foreign nations, with immunity from suit in U.S. courts. To date, only one Federal court, the District Court for the Central District of California, has reviewed this issue. In International Association of Machinists v. OPEC, 477 F. Supp. 553 (1979), the Court held that the nations which comprise OPEC were immune from suit in the United States under the FSIA. We believe that this opinion was wrongly decided and that other district courts, including the D.C. District, can and should revisit the issue.

This decision in Int. Assoc. of Machinists turned on the technical issue of whether or not the nations which comprise OPEC are engaging in ''commercial activity'' or ''governmental activity'' when they cooperate to sell their oil. If they are engaging in ''governmental activity,'' then the FSIA shields them from suit in U.S. courts. If, however, these nations are engaging in ''commercial activity,'' then they are subject to suit in the U.S. The California District Court held that OPEC activity is ''governmental activity.'' We disagree. It is certainly a governmental activity for a nation to regulate the extraction of petroleum from its territory by ensuring compliance with zoning, environmental and other regulatory regimes. It is clearly a commercial activity, however, for these nations to sit together and collude to limit their oil production for the sole purpose of increasing prices.

The 9th Circuit affirmed the District Court's ruling in Int. Assoc. of Machinists in 1981 (649 F.2d 1354), but on the basis of an entirely different legal principle. The 9th Circuit held that the Court could not hear this case because of the ''act of state'' doctrine, which holds that a U.S. court will not adjudicate a politically sensitive dispute which would require the court to judge the legality of the sovereign act of a foreign state.

The 9th Circuit itself acknowledged in its Int. Assoc. of Machinists opinion that ''The [act of state] doctrine does not suggest a rigid rule of application,'' but rather application of the rule will depend on the circumstances of each case. The Court also noted that, ''A further consideration is the availability of internationally-accepted legal principles which would render the issues appropriate for judicial disposition.'' The Court then quotes from the Supreme Court's opinion in Banco Nacional de Cuba v. Sabbatino, 376 U.S. 398 (1964): ''It should be apparent that the greater the degree of codification or consensus concerning a particular area of international law, the more appropriate it is for the judiciary to render decisions regarding it, since the courts can then focus on the application of an agreed principle to circumstances of fact rather than on the sensitive task of establishing a principle not inconsistent with the national interest or with international justice.''

Since the 9th circuit issued its opinion in 1981, there have been major developments in international law that impact directly on the subject matter at issue. As we discuss in greater detail below, the 1990'a have witnessed a significant increase in efforts to seek compliance with basic international norms of behavior through international courts and tribunals. In addition, there is strong evidence of an emerging consensus in international law that price fixing by cartels violates such international norms. Accordingly, a court choosing to apply the act of state doctrine to a dispute with OPEC today may very well reach a different conclusion than the 9th Circuit reached almost twenty years ago.

(2) A suit in the International Court of Justice at the Hague based upon ''the general principles of law recognized by civilized nations.''

In addition to such domestic antitrust actions, we believe you should give serious consideration to bringing a case against OPEC before the International Court of Justice (the ''ICJ'') at the Hague. You should consider both a direct suit against the conspiring nations as well as a request for an advisory opinion from the Court through the auspices of the U.N. Security Council. The actions of OPEC in restraint of trade violate ''the general principles of law recognized by civilized nations.'' Under Article 38 of the Statute of the ICJ, the Court is required to apply these ''general principles'' when deciding cases before it.

This would clearly be a cutting-edge lawsuit, making new law at the international level. But there have been exciting developments in recent years which suggest that the ICJ would be willing to move in this direction. In a number of contexts, we have seen a greater respect for and adherence to fundamental international principles and norms by the world community. For example, we have seen the establishment of the International Criminal Court in 1998, the International Criminal Tribunal for Rwanda in 1994, and the International Criminal Tribunal for the former Yugoslavia in 1993. Each of these bodies has been active, handing down numerous indictments and convictions against individuals who have violated fundamental principles of human rights.

Today, adherence to international principles has spread from the tribunals in the Hague to individual nations around the world. The exiled former dictator of Chad, Hissene Habre, was indicted in Senegal on changes of torture and barbarity stemming from his reign, where he allegedly killed and tortured thousands. This case is similar to the case brought against former Chilean dictator Augusto Pinochet by Spain on the basis of his alleged atrocities in Chile. At the request of the Spanish government, Pinochet was detained in London for months until an English court determined that he was too ill to stand trial.

While these emerging norms of international behavior have tended to focus on human rights than on economic principles, there is one economic issue on which an international consensus has emerged in recent years—the illegitimacy of price fixing by cartels. For example, on April 27, 1988, the Organization for Economic Cooperation and Development issued an official ''Recommendation'' that all twenty-nine member nations ''ensure that their competition laws effectively halt and deter hard core cartels.'' The recommendation defines ''hard core cartels'' as those which, among other things, fix prices or establish output restriction quotas. The Recommendation further instructs member countries ''to cooperate with each other in enforcing their laws against such cartels.''

On October 9, 1998, eleven Western Hemisphere countries held the first ''antitrust Summit of the Americas'' in Panama City, Panama. At the close of the summit, all eleven participants issued a joint communique in which they express their intention ''to affirm their commitment to effective enforcement of sound competition laws, particularly in combating illegal price-fixing, bid-rigging, and market allocation.'' The communique further expresses the intention of these countries to ''cooperate with one another . . . to maximize the efficacy and efficiency of the enforcement of each country's competition laws.''

The behavior of OPEC and other oil-producing nations in restraint of trade violates U.S. antitrust law and basic international norms, and it is injuring the United States and its citizens in a very real way. We hope you will seriously consider judicial action to put an end to such behavior.

We hope that you will seriously consider judicial action to put an end to such behavior.

ARLEN SPECTER.
CHARLES SCHUMER.
HERB KOHL.
STROM THURMOND.
MIKE DEWINE.

Mr. SPECTER. I will not include my letter to President Clinton, dated April 11, 2000, because the two letters are largely the same.

I further ask unanimous consent that the first caption page of the case entitled ''Prewitt Enterprises v. Organization of Petroleum Exporting Countries'' be printed in the RECORD so that

those who study the CONGRESSIONAL RECORD may have a point of reference to get the entire case and do any research which anybody might care to do.

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

[In the United States District Court for the Northern District of Alabama, Southern Division, Civil Action Number CV–00–W–0865–S]

PREWITT ENTERPRISES, INC., ON ITS OWN BEHALF AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED, PLAINTIFFS, *vs.* ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES, DEFENDANT

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This antitrust class action is now before the Court on the Application and Memorandum of Law in Support of Application for Default Judgment and Appropriate Declaratory and Injunctive Relief by plaintiff Prewitt Enterprises, Inc., on its own behalf and on behalf of the Class.

On January 9, 2001, the Court entered a Show Cause Order directing defendant Organization of the Petroleum Exporting Countries, to appear before the Court on March 8, 2001, and show cause, if any it has, why plaintiff's Application should not be granted and why judgment by default against it should not be entered. Defendant OPEC was served with the said Show Cause Order and the Application by means of Federal Express international delivery at its offices in Vienna, Austria, to the attention of the Office of the Secretary General. The proof . . .

* * * * *

RULES GOVERNING PROCEDURES FOR THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HOLLINGS. Mr. President, the Senate Committee on Commerce, Science, and Transportation has adopted modified rules governing its procedures for the 107th Congress. Pursuant to Rule XXVI, paragraph 2, of the Standing Rules of the Senate, on behalf of myself and Senator MCCAIN, I ask unanimous consent that a copy of the Committee rules be printed in the RECORD.

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

RULES OF THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the Committee, or any Subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any Subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the Committee, or any Subcommittee, when it is determined that the matter to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of, or financial or commercial information pertaining specifically to, a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Thirteen members shall constitute a quorum for official action of the Committee when reporting a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

2. Eight members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his or her vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any Subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he or she is a Member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

VI. CONSIDERATION OF BILLS AND RESOLUTIONS

It shall not be in order during a meeting of the Committee to move to proceed to the consideration of any bill or resolution unless the bill or resolution has been filed with the Clerk of the Committee not less than 48 hours in advance of the Committee meeting, in as many copies as the Chairman of the Committee prescribes. This rule may be waived with the concurrence of the Chairman and the ranking minority member of the full Committee.

REPORT ON ACTIVITIES OF U.S. DELEGATION TO THE PARLIAMENTARY ASSEMBLY OF THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE

Mr. CAMPBELL. Mr. President, I am pleased to report to my colleagues in the United States Senate on the work of the bicameral congressional delegation which I chaired that participated in the Tenth Annual Session of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, OSCE PA, hosted by the French Parliament, the National Assembly and the Senate, in Paris, July 6–10, 2001. Other participants from the United States Senate were Senator HUTCHISON of Texas and Senator VOINOVICH of Ohio. We were joined by 12 Members of the House of Representatives: cochairman SMITH of New Jersey, Mr. HOYER, Mr. CARDIN, Ms. SLAUGHTER, Mr. MCNULTY, Mr. HASTINGS of Florida, Mr. KING, Mr. BRYANT, Mr. WAMP, Mr. PITTS, Mr. HOEFFEL and Mr. TANCREDO.

En route to Paris, the delegation stopped in Caen, France and traveled to Normandy for a briefing by General Joseph W. Ralston, Commander in Chief of the U.S. European Command and Supreme Allied Commander Europe, on security developments in Europe, including developments in Macedonia, Kosovo, and Bosnia-Herzegovina as well as cooperation with the International Criminal Tribunal for the former Yugoslavia.

At the Normandy American Cemetery, members of the delegation participated in ceremonies honoring those Americans killed in D–Day operations. Maintained by the American Battle Monuments Commission, the cemetery is the final resting place for 9,386 American servicemen and women and honors the memory of the 1,557 missing. The delegation also visited the Pointe du Hoc Monument honoring elements of the 2d Ranger Battalion.

In Paris, the combined U.S. delegation of 15, the largest representation by any country in the Assembly was welcomed by others as a demonstration of the continued commitment of the United States, and the U.S. Congress,

to Europe. The central theme of OSCE PA's Tenth Annual Session was ''European Security and Conflict Prevention: Challenges to the OSCE in the 21st Century.''

This year's Assembly brought together nearly 300 parliamentarians from 52 OSCE participating States, including the first delegation from the Federal Republic of Yugoslavia following Belgrade's suspension from the OSCE process in 1992. Seven countries, including the Russian Federation and the Federal Republic of Yugoslavia, were represented at the level of Speaker of Parliament or President of the Senate. Following a decision taken earlier in the year, the Assembly withheld recognition of the pro-Lukashenka National Assembly given serious irregularities in Belarus' 2000 parliamentary elections. In light of the expiration of the mandate of the democratically elected 13th Supreme Soviet, no delegation from the Republic of Belarus was seated.

The inaugural ceremony included a welcoming addresses by the OSCE PA President Adrian Severin, Speaker of the National Assembly, Raymond Forni and the Speaker of the Senate, Christian Poncelet. The French Minister of Foreign Affairs, Hubert Védrine also addressed delegates during the opening plenary. The OSCE Chairman-in-Office, Romanian Foreign Minister Mircea Geoana, presented remarks and responded to questions from the floor.

Presentations were also made by several other senior OSCE officials, including the OSCE Secretary General, the High Commissioner on National Minorities, the Representative on Freedom of the Media, and the Director of the OSCE Office for Democratic Institutions and Human Rights.

The 2001 OSCE PA Prize for Journalism and Democracy was presented to the widows of the murdered journalists José Luis López de Lacalle of Spain and Georgiy Gongadze of Ukraine. The Spanish and Ukrainian journalists were posthumously awarded the prize for their outstanding work in furthering OSCE values.

Members of the U.S. delegation played a leading role in debate in each of the Assembly's three General Committees—Political Affairs and Security; Economic Affairs, Science, Technology and Environment; and Democracy, Human Rights and Humanitarian Questions. U.S. sponsored resolutions served as the focal point for discussion on such timely topics as ''Combating Corruption and International Crime in the OSCE Region,'' a resolution I sponsored; ''Southeastern Europe,'' by Senator VOINOVICH; ''Prevention of Torture, Abuse, Extortion or Other Unlawful Acts'' and ''Combating Trafficking in Human Beings,'' by Mr. Smith; ''Freedom of the Media,'' by Mr. HOYER; and, ''Developments in the North Caucasus,'' by Mr. CARDIN.

Senator HUTCHISON played a particularly active role in debate over the Anti-Ballistic Missile Treaty in the General Committee on Political Affairs and Security, chaired by Mr. HASTINGS, which focused on the European Security and Defense Initiative.

An amendment I introduced in the General Committee on Economic Affairs, Science, Technology and Environment on promoting social, educational and economic opportunity for indigenous peoples won overwhelming approval, making it the first ever such reference to be included in an OSCE PA declaration. Other U.S. amendments focused on property restitution laws, sponsored by Mr. CARDIN, and adoption of comprehensive non-discrimination laws, sponsored by Mr. HOYER.

Amendments by members of the U.S. delegation on the General Committee on Democracy, Human Rights and Humanitarian Questions focused on the plight of Roma, by Mr. SMITH; citizenship, by Mr. HOYER; and Nazi-era compensation and restitution, and religious liberty, by Ms. SLAUGHTER. Delegation members also took part in debate on the abolition of the death penalty, an issue raised repeatedly during the Assembly and in discussions on the margins of the meeting.

While in Paris, members of the delegation held an ambitious series of meetings, including bilateral sessions with representatives from the Russian Federation, the Federal Republic of Yugoslavia, the United Kingdom, and Kazakhstan. Members met with the President of the French National Assembly to discuss diverse issues in U.S.-French relations including military security, agricultural trade, human rights and the death penalty. A meeting with the Romanian Foreign Minister included a discussion of the missile defense initiative, policing in the former Yugoslavia, and international adoption policy.

Staff of the U.S. Embassy provided members with an overview of U.S.-French relations. Members also attended a briefing by legal experts on developments affecting the right of individuals to profess and practice their religion or belief. A session with representatives of U.S. businesses operating in France and elsewhere in Europe provided members with insight into the challenges of today's global economy.

Elections for officers of the Assembly were held during the final plenary. Mr. Adrian Severin of Romania was re-elected President. Senator Jerahmiel Graftstein of Canada was elected Treasurer. Three of the Assembly's nine Vice-Presidents were elected to three-year terms: Alcee Hastings, U.S.A., Kimmo Kiljunen, Finland, and Ahmet Tan, Turkey. The Assembly's Standing Committee agreed that the Eleventh Annual Session of the OSCE Parliamentary Assembly will be held next July in Berlin, Germany.

WOMEN AND GUN VIOLENCE

Mr. LEVIN. Mr. President, just last year the Congress passed and President Clinton signed into law the Violence Against Women Act of 2000. The law instituted welcome changes in Federal criminal law relating to stalking, domestic abuse and sex offense cases. In addition, VAWA 2000 created programs to prevent sexual assaults on college campuses, establish transitional housing for victims of domestic abuse and enhance protections for elderly and disabled victims of domestic violence.

The importance of the Violence Against Women Act should not be underestimated. However, if we are to comprehensively address this issue, we cannot ignore the impact of gun violence on women. According to studies cited by the Violence Policy Center, in 1998, in homicides where the weapon was known, 50 percent of female homicide victims were killed with a firearm. Of those murdered women, more than three quarters were killed with a handgun. And that same year, for every one time that a woman used a handgun to kill in self-defense, 101 women were murdered by a handgun.

While the firearms industry markets gun to women—asserting that owning a gun will make women safer—the statistics support the point made by Karen Brock, an analyst with the Violence Policy Center, ''Handguns don't offer women protection; they guarantee peril.''

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred February 21, 1997 in Atlanta, GA. A bomb exploded at a gay nightclub and another bomb was found outside the club during the investigation. Packed with nails, the bomb exploded in the rear patio section of the lounge shortly before 10 p.m. Two people were treated for injuries resulting from the flying shrapnel. An extremist group called ''Army of God'' claimed responsibility for the bomb.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

IN RECOGNITION OF THE HMONG SPECIAL GUERRILLA UNITS

Mr. LEVIN. Mr. President, this weekend members of the Lao-Hmong American Coalition, Michigan Chapter, their friends and supporters will gather in my home State of Michigan to pay

tribute to thousands of courageous Hmongs who selflessly fought alongside of and in support of the United States military during the Vietman War. The efforts of the Hmong Special Guerrilla Units were unknown to the American public during the conflict in Vietnam, and the 6th Annual Commemoration of the U.S. Lao-Hmong Special Guerrilla Units Veterans Recognition Day is part of the important effort to acknowledge the role played by the Hmong people in this war.

Ms. STABENOW. My colleague from Michigan is correct in stating that Hmong Special Guerrilla Units played an important role in assisting US efforts in the Vietnam conflict, often times at great sacrifice to themselves. From 1961 to 1975 it is estimated that about 25,000 young Hmong men and boys were fighting the Communist Lao and North Vietnamese. The Hmong Special Guerrilla Units were known as the United States' Secret Army, and their valiant efforts ensured the safety and survival of countless U.S. soldiers.

Mr. LEVIN. The Senator is correct. Hmong Special Guerrilla Units actively supported the United States, and risked great loss of life to save downed United States pilots and protect our troops. While the Special Guerrilla Units may have operated in secret, their efforts, courage and sacrifices have been kept secret for far too long. The word Hmong means ''free people,'' and celebrations such as this commemoration will raise awareness of the loyalty, bravery and independence exhibited by the Hmong people.

Ms. STABENOW. It is important that the sacrifices made by the Hmong people are honored by all Americans. These rugged people, from the hills of Laos, paid a great cost because of their love of freedom and their support of the United States. It is estimated that over 40,000 Hmong died during the Vietnam War. Thousands more were forced to flee to refugee camps, and approximately 60,000 Hmongs immigrated to United States.

Mr. LEVIN. As the Senator from Michigan knows, thousands of Hmongs immigrated to the United States after the Vietnam War. The transition to life in the United States has not always been easy, but the Hmong community has grown and is prospering. There are nearly 200,000 Hmong in the United States, and many of them live in our home State of Michigan. It is important that those who fought in the Special Guerrilla Units are honored for their actions. These units, like all those who served the cause of freedom, must know that we appreciate the great sacrifices made by the Special Guerrilla Units.

Ms. STABENOW. I would concur with my good friend that events such as the 6th Annual Commemoration of U.S. Lao-Hmong Special Guerrilla Units Veterans Recognition Day play an important role in honoring these courageous veterans. This celebration will also educate future generations of Americans about the sacrifices made by this independent and freedom loving people. I know that my Senate colleagues will join me, and my colleague from the State of Michigan, in commending the Hmong Special Guerrilla Units for their bravery, sacrifice, and commitment to freedom.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 18, 2001, the Federal debt stood at $5,712,502,926,348.50, five trillion, seven hundred twelve billion, five hundred two million, nine hundred twenty-six thousand, three hundred forty-eight dollars and fifty cents.

One year ago, July 18, 2000, the Federal debt stood at $5,680,376,000,000, five trillion, six hundred eighty billion, three hundred seventy-six million.

Five years ago, July 18, 1996, the Federal debt stood at $5,168,794,000,000, five trillion, one hundred sixty-eight billion, seven hundred ninety-four million.

Ten years ago, July 18, 1991, the Federal debt stood at $3,546,904,000,000, three trillion, five hundred forty-six billion, nine hundred four million.

Fifteen years ago, July 18, 1986, the Federal debt stood at $2,070,143,000,000, two trillion, seventy billion, one hundred forty-three million, which reflects a debt increase of more than $3.5 trillion, $3,642,359,926,348.50, three trillion, six hundred forty-two billion, three hundred fifty-nine million, nine hundred twenty-six thousand, three hundred forty-eight dollars and fifty cents during the past 15 years.

ADDITIONAL STATEMENTS

TRIBUTE TO DONNA CENTRELLA

● Mrs. CLINTON. Mr. President, I rise today to pay tribute to Donna Centrella, a very special woman whom I met 2 years ago during my campaign in New York. Donna died on Monday after a long, brave battle with ovarian cancer.

I first met Donna in September 1999, when I visited Massena Memorial Hospital in Massena, NY. Donna had been diagnosed with ovarian cancer in August, but did not have health insurance to cover her treatment. Miraculously, she found a doctor who would treat her without insurance and she was able to afford care through a variety of State programs.

Perhaps even more astounding was her doctor's statement that she was actually better off without managed care coverage because he could better treat her that way. Without HMO constraints, they were free to make the decisions about the best procedures to follow for her treatment and care—her doctor could keep her in the hospital as long as needed and he would not have to get preapproval for surgery.

I have retold Donna's unbelievable story many times since meeting this extraordinary woman. Hers is a story that underscores the profound need in this country for immediate reform of the way we provide health coverage to our citizens. We owe it to patients like Donna to sign patients protections into law as soon as possible to ensure that we can provide the best medical treatment possible to everyone who needs it.

We have lost an ally, but I have faith that we will not lose the fight for greater patient protections. It saddens me greatly that Donna will not be here to see it happen. She was an amazing soul whose determination and strength will never forget.●

TRIBUTE TO LANCE CPL. SEAN M. HUGHES

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Lance Cpl. Sean Hughes of Milton, NH, who gave his life for our country on July 10, 2001, when a Marine Corps helicopter participating in a training exercise went down in Sneads Ferry, NC.

Sean was a graduate of Nute High School in Milton, NH. He joined the Marine Corps on July 14, 1999, following the military tradition of his father and grandfather who both served as members of the United States Air Force. An extremely talented and highly intelligent Crew Chief with Marine Helicopter Squadron 365, Sean will always be remembered as the little boy who enjoyed watching planes take off and land at the flight line with his father.

An artist, athlete, and committed Marine, friends each remember him as an exceptional person with a gentle heart. Those who knew him best described him as ''irreplaceable,'' ''a dear friend,'' and one that has ''enriched their lives simply by having known him.'' His constant smile will be missed, as will his unwavering devotion to this country.

As a fellow veteran, I commend Sean for his service in the U.S. Marine Corps. Hundreds of Marines, friends, and family lost a devoted scholar, friend, brother, and son. The people of New Hampshire and the country lost an honorable soldier with a deeply held sense of patriotism. The determination and devotion he possessed as a Marine, and an individual, will not soon be forgotten.

I send my sincere sympathy and prayers to Sean's family and wish them Godspeed during this difficult time in their lives. It is truly an honor to have represented Lance Cpl. Hughes in the U.S. Senate.●

STRAND FAMILY FARM 100TH ANNIVERSARY TRIBUTE

● Mr. DORGAN. Mr. President, I pay tribute today to a North Dakota family that exemplifies the spirit of rural life and all that it contributes to our Nation. The Strand family, of Regan, ND, will this week celebrate 100 years on the family farm.

Andrew and Anna Strand arrived in North Dakota in 1901, brought by emigrant train to Wilton, ND. Then, with only a team of horses, a wagon, a walking breaking plow, a disc, and a drill, Andrew and Anna set about making a home in the small community of Regan.

From those meager beginnings, Anna and Andrew raised a family of six children and, just like thousands of other North Dakotans at that time, they built a successful family farm and did the hard work that eventually carved hardy communities from the prairie.

Today, the Strand family farm is still being farmed by Andrew and Anna's grandchildren and great-grandchildren. Four generations of Strands have lived and worked on the land over the past century. As anyone who knows will tell you, farming is hard work. And the Strand family has kept that farm going through everything from the Great Depression to droughts and floods. The family survived even the leanest years, times in the early part of the last century when there was only one good paying crop out of every 7 years.

While some have stayed to continue to work the land, others in the Strand family have built lives and careers that contribute to our State, regional, and national life in a variety of other ways. Andrew and Anna's descendants have worked in healthcare, education, music, public affairs, and agribusiness, to name only a few.

Anna and Andrew's children left their mark on our society in a profound way. Einar Strand helped build the United Nations building in New York. Norton was involved in the agriculture industry throughout North Dakota, South Dakota, Minnesota, and Montana. Alice became the head administrator at Ballard Hospital in Seattle, WA. Both Arthur and Barney, worked the land as their father before them. Today, Barney, Jr., and his son Richard continue the tradition of farming on the original Strand homestead.

The Strand family also contributed to community life in many ways. In the early days, when help was needed in the fledgling community, the Strand family was there; helping the local doctor on his daily rounds during the influenza outbreak of 1918, helping to build the first local schoolhouse, building township roads and more.

Families like the Strand demonstrate the importance of preserving the family farm and our rural communities. They also remind us that family farms produce more than the food that feeds our Nation and the world. Family farms also produce hardy, enduring families that make our communities and our Nation strong.

I congratulate them as they celebrates this 100-year anniversary of life on the family farm, and extend the hope that the Strand family will continue the tradition that Andrew and Anna started a century ago.●

IN RECOGNITION OF CORNERSTONES COMMUNITY PARTNERSHIPS IN THE 2001 SMITHSONIAN FOLKLIFE FESTIVAL

● Mr. DOMENICI. Mr. President, I rise today to recognize the skill and artistry of those involved in the 2001 Smithsonian Folklife Festival. Specifically, the festival focused on the Masters of Building Arts program featuring craftspeople skilled in the various styles of the building trades.

I am pleased to announce that Cornerstones Community Partnerships of Santa Fe, NM, participated in this annual celebration of folk art. Cornerstones Community Partnerships is a nonprofit organization serving to continue the unique culture and traditions of the southwest through preservation of traditional building techniques.

As part of the festival, Cornerstones presented two restoration projects, the San Esteban del Rey Church in Acoma Pueblo, NM, and the San Jose Mission in Upper Rociada, NM. Both presentations highlighted the rich cultural techniques used in New Mexican architecture.

I commend the skills of these artists and artisans that participated in the folklife festival. They truly preserve our link to the past.●

CLEVELAND INDIANS 100 YEAR ANNIVERSARY

● Mr. DEWINE. Mr. President, today I am here on the Floor to recognize the Cleveland Indians because this year, the team is celebrating an incredible achievement, both for baseball and America. On April 24th, the Indians celebrated their 100th Anniversary. Over the last century, Indians fans have seen their team win two World Series and five American League Pennants. One of my most vivid baseball memories is the 1954 World Series, which I attended with my dad when I was seven years old.

I think the inaugural Indians manager, James McAleer, would have been proud to lead the Tribe teams of the past five years in their string of five Central Division Titles and two World Series appearances. The Indians claim 22 players in the Hall of Fame, including the following:

Nap Lajoie, Tris Speaker, Cy Young (1937); Jesse Burkett (1946); Bob Feller (1962); Elmer Flick, Sam Rice (1963); Stan Coveleski (1969); Lou Boudreau (1970); Satchel Paige (1971); Early Wynn (1972); Ralph Kiner (1975); Bob Lemon (1976); Joe Sewell, Al Lopez (1977); Addie Joss (1978); Frank Robinson (1982); Hoyt Wilhelm (1985); Gaylord Perry, Bill Veeck (1991); Phil Niekro (1997); Larry Doby (1998).

Additionally, the Indians have retired the numbers of six players, including:

Bob Lemon (21); Earl Averill (3); Lou Boudreau (5); Larry Doby (14); Mel Harder (18); Bob Feller (19).

Adding to these accomplishments, by the end of the 2000 season, the team had racked up 7,896 total wins. Also, the Indians are just one of four American League teams to spend their entire history in one city. The Indians have been loyal to their fans, and the fans have, in turn, been loyal to their team. After Jacob's Field was built in 1994, fans responded by selling out 455 consecutive games. And, the Indians led Major League Baseball in attendance last year for the first time since 1948.

The Indians are a treasure for the City of Cleveland and the State of Ohio, but I also believe the Indians hold a larger significance for America. Walt Whitman once wrote that baseball was ''America's game . . . it belongs as much to our institutions, fits into them as significantly as our Constitution's laws . . . and it is just as important in the sum total of our historic life.'' I think Whitman had it absolutely right. Baseball is a vital part of our American culture, and for 100 years, the Cleveland Indians have served as an outstanding ambassador for the sport of baseball.

I congratulate the Cleveland Indians on a century of rich history, loyal fans, and great success. I hope that my colleagues will join me in wishing the Indians the best of luck in the next 100 years.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in execution session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:17 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2500. An act making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

At 5:52 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the senate:

H.R. 1. An act to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to

hance the ability of low-income Americans to gain financial security by building assets.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 7. An act to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets; to the Committee on Finance.

MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the second time, and placed on the calendar:

H.J. Res. 36. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the physical desecration of the flag of the United States.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2902. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of the designation of acting officer for the position of Director of the Office of Science and Technology Policy, received on July 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2903. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a vacancy in the position of Director of the Office of Science Technology Policy, received on July 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2904. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a vacancy in the position of Associate Director for Technology, Office of Science and Technology Policy, received on July 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2905. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a vacancy in the position of Associate Director for Environment, Office of Science and Technology Policy, received on July 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2906. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a vacancy in the position of Associate Director for Science, Office of Science and Technology Policy, received on July 9, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2907. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A300 B2, A300 B4, A300 B4–600, and A300 B4–600, B4–600R and F4–600R'' ((RIN2120–AA64)(2001–0299)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2908. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A300 B–4–601, B4–603, B4–620, BR–605R, and F4–605R'' ((RIN2120–AA64)(2001–0296)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2909. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747 Series Airplanes'' ((RIN2120–AA64)(2001–0297)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2910. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Raytheon Aircraft Company Beech Models 45 (YT–34), A45 (T–34A, B–45), and D45 (T–34B) Airplanes'' ((RIN2120–AA64)(2001–0298)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2911. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Bombardier Model CL 600 2B19 Series Airplanes'' ((RIN2120–AA64)(2001–0292)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2912. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A310 and Model A300 B4–600, A300 BR–600R, and A300 F4–600R Series Airplanes'' ((RIN2120–AA64)(2001–0293)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2913. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 757 Series Airplanes Equipped with Rolls Royce Engines'' ((RIN2120–AA64)(2001–0294)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2914. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Gulfstream Model G–1159, G–1159A, G–1159B, G–IV, and G–V Series Airplanes'' ((RIN2120–AA64)(2001–0295)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2915. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747–400 Series Airplanes'' ((RIN2120–AA64)(2001–0288)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2916. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Construcciones Aeronauticas, SA Model CN 235 Series Airplanes'' ((RIN2120–AA64)(2001–0289)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2917. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Raytheon Model Hawker 800XP Series Airplanes'' ((RIN2120–AA64)(2001–0290)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2918. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747 Series Airplanes'' ((RIN2120–AA64)(2001–0291)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2919. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dassault Model Mystere-Falcon 900 and 900EX Series Airplanes'' ((RIN2120–AA64)(2001–0284)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2920. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Bombardier Model DHC 7 Series Airplanes'' ((RIN2120–AA64)(2001–0285)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2921. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Bell Helicopter Textron Canada Model 407 Helicopters; Rescission'' ((RIN2120–AA64)(2001–0286)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2922. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: McDonnell Douglas Model D–90–30 Series Airplanes'' ((RIN2120–AA64)(2001–0287)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2923. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Cody, WV'' ((RIN2120–AA66)(2001–0111)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2924. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of a Class E Enroute Domestic Airspace Area, Kingman, AZ'' ((RIN2120–AA66)(2001–0112)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2925. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Heber City, UT'' ((RIN2120–AA66)(2001–0113)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2926. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Jet Route J 713'' ((RIN2120–AA66)(2001–0114)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2927. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establish Class E Airspace; Greensburg, PA'' ((RIN2120–AA66)(2001–0107)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2928. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Class D Airspace and Establishment of Class E4 Airspace; Homestead, FL'' ((RIN2120–AA66)(2001–0108)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2929. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; LaFayette, GA'' ((RIN2120–AA66)(2001–0109)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2930. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establish Class E Airspace; Lloydsville, PA'' ((RIN2120–AA66)(2001–0110)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2931. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establish Class E Airspace; Hagerstown, MD'' ((RIN2120–AA66)(2001–0103)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2932. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Roosevelt, UT'' ((RIN2120–AA66)(2001–0104)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2933. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of a Class E Enroute Domestic Airspace Area, Las Vegas, NV'' ((RIN2120–AA66)(2001–0105)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2934. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Mosby, MO'' ((RIN2120–AA66)(2001–0106)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2935. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (25), AMDT. No 2057'' ((RIN2120–AA65)(2001–0040)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2936. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (44) Amdt. No. 2055'' ((RIN2120–AA65)(2001–0041)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2937. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (33); Amdt. No. 2056'' ((RIN2120–AA65)(2001–0039)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2938. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (565); Amdt. No. 2058'' ((RIN2120–AA65)(2001–0038)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2939. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (21); Amdt. No. 2054'' ((RIN2120–AA65)(2001–0037)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2940. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: GE CT58 Series and Former Military T58 Series Turboshaft Engines'' ((RIN2120–AA64)(2001–0306)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2941. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: GE CF 34–1A, –3A, –3A1, –3AS, –3B and –3B1 Turbofan Engines'' ((RIN2120–AA64)(2001–0307)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2942. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 777–200 Series Airplanes'' ((RIN2120–AA64)(2001–0311)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2943. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: CORRECTION, CFM International, SA CFM56–3, –3B, and –3C Series Turbofan Engines'' ((RIN2120–AA64)(2001–0312)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2944. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls-Royce Limited, Aero Division-Bristol, SNECMA Olympus 593 Mk. 610–14–28 Turbo Engines'' ((RIN2120–AA64)(2001–0300)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2945. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Construcciones Aeronauticas, SA Model CN–234 Series Airplanes'' ((RIN2120–AA64)(2001–0301)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2946. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A300 B2–1C, B2–203, B2K–3C, B4–2C, B4–103, and B4–203 Series Airplanes'' ((RIN2120–AA64)(2001–0303)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2947. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 767 Airplanes'' ((RIN2120–AA64)(2001–0305)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2948. A communication from the Chief of the Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Federal-State Joint Board on Universal Service'' (Doc. No. 95–45) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2949. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Emergency Interim Rule to Revise Certain Provisions of the American Fisheries Act; Extension of Expiration Date'' (RIN0648–AO72) received on July 11, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2950. A communication from the President of the United States, transmitting, pursuant to law, a report relative to US military personnel and US citizens involved as contractors in antinarcotics campaign in Columbia; to the Committee on Appropriations.

EC–2951. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of the designation of acting officer for the position of Assistant Secretary for Employment and Training, EX–IV, received on July 17, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–2952. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, a draft of proposed legislation entitled ''Atomic Energy Act Amendments of 2001''; to the Committee on Energy and Natural Resources.

EC–2953. A communication from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Connectivity to Atmospheric Release Capability'' (DOE N 153.1) received on July 16, 2001; to the Committee on Energy and Natural Resources.

EC–2954. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation entitled ''National Defense Authorization Act for Fiscal Year 2002''; to the Committee on Armed Services.

EC–2955. A communication from the Administrator of the National Nuclear Security Administration, Department of Energy, transmitting, pursuant to law, a report concerning sales to a country designated as a

Tier III country of a computer capable of operating at a speed in excess of 2,000 million theoretical operations per second by companies that participate in the Accelerated Strategic Computing Initiative program of the Department of Energy for calendar year 2000; to the Committee on Armed Services.

EC–2956. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation entitled ''Fort Irwin Military Lands Withdrawal Act of 2001''; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–124. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to muscular dystrophy; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION NO. 8

Whereas, Current federal funding for research on muscular dystrophy is insufficient given the disease's prevalence and severity, and this level of support does little to promote advances in research and treatment of the disease; and

Whereas, The term muscular dystrophy encompasses a large group of hereditary muscle-destroying disorders that appear in men, women, and children of every race and ethnicity, with the most common disorder, Duchenne muscular dystrophy, first appearing in early childhood or adolescence; and

Whereas, Furthermore, since genetic mutations may be a factor in any incidence of muscular dystrophy, anyone could be a carrier, and no family is immune from the possibility of the disease afflicting one of its members; and

Whereas, While the prognosis for individuals afflicted with a muscular dystrophy disorder varies according to patterns of inheritance, the age of onset, the initial muscles attached, and the progression of the disease, Duchenne muscular dystrophy is the most common fatal childhood genetic disease; and

Whereas, Because muscular dystrophy varies widely from one disorder to another, continuing research is important to understanding the disease, treating it, and working toward its prevention and cure; and

Whereas, Congressional funding for research by the National Institutes of Health on Duchenne and Becker muscular dystrophy does not reflect the severity of this disease, the importance of finding a cure, or the potential benefits that research in this area could have on other similar disorders; and

Whereas, To save lives and improve the quality of life for those already afflicted by this disease, it is imperative that the federal government take the initiative to increase funding for the research of Duchenne and Becker muscular dystrophy and, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to increase funding for research by the National Institutes of Health for the treatment and cure of Duchenne and Becker muscular dystrophy; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United states congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–125. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to NAFTA; to the Committee on Appropriations.

SENATE CONCURRENT RESOLUTION NO. 10

Whereas, While the North American Free Trade Agreement (NAFTA) has boosted the economy in Texas and the nation, the increase in heavy truck traffic has caused excessive wear on county and city roads that lie within the border commercial zone; and

Whereas, According to the Texas Border Infrastructure Coalition more than 77 percent of United States-Mexico trade passes through the Texas border region annually; in 1999 this amounted to 4.4 million trucks crossing the Texas-Mexico border carrying $127.6 billion worth of commerce; and

Whereas, Many of these trucks exceed the weight limits imposed by both federal and state law, causing extensive damage to public roads and bridges, especially the ''off-system'' roads that are maintained by counties and municipalities, most of which are not designed to handle these heavy commercial trucks; and

Whereas, The Texas Department of Transportation estimates that there are more than 17,000 miles of load-posted roadways in Texas; many of these roadways are Farm-to-Market roads that were built in the 1940s and 1950s using design standards for a legal weight limit of 48,000 pounds, or approximately 60 percent of the weight of some of the heavier trucks today; and

Whereas, There are approximately 7,250 deficient bridges on off-system roads in Texas, and while the Texas Department of Transportation is in the process of upgrading these bridges, the scope of the bridge rehabilitation required means that, at current funding levels and practices, it could take decades to complete the undertaking, assuming no more bridges become deficient; it is important, therefore, that trucks be weighed before they are permitted to operate in the commercial border zone, so as not to cause further infrastructure damage; and

Whereas, In addition to contributing to the destruction of transportation infrastructure, overweight trucks pose safety hazards for other vehicles sharing the roads; the University of Michigan Transportation Research Institute estimates that as the weight of a truck goes from 65,000 to 80,000 pounds, the risk of an accident involving a fatality increases by 50 percent; and

Whereas, County and city governments within the commercial border zone would benefit greatly from having additional weigh stations situated in their jurisdictions and additional law enforcement officers to conduct weight inspections of commercial vehicles traveling on roads that they maintain; and

Whereas, While the entire nation benefits from NAFTA, the local governments along the Texas-Mexico border must bear the high cost of overweight truck inspections and repairing damage to the roads resulting from the increase in heavy commercial vehicle traffic on the off-system roads; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby urge the United States Congress to create a federal category under the NAFTA agreement, for NAFTA traffic-related infrastructure damage, to provide counties and municipalities with funding for commercial vehicle weigh stations within the 20-mile commercial border zone; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–126. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to border ports of entry and high-priority transportation corridors; to the Committee on Appropriations.

SENATE CONCURRENT RESOLUTION NO. 25

Whereas, The current presidential administration has indicated that it will allow Mexican trucks at least partial access to U.S. highways beyond the commercial border zone that was established in 1993 to limit the movement of Mexican trucks until certain basic infrastructure and safety concerns had been addressed; and

Whereas, The opening of the Texas border to Mexican trucks will unfairly impact the three border transportation districts in Pharr, Laredo, and El Paso without a commensurate increase in the commitment of money by the federal government; and

Whereas, The Texas Senate Special Committee on Border Affairs was given several study charges during the 1999–2000 interim, including assessing the long-term intermodal transportation needs of the Texas-Mexico border region, evaluating the planning and capacity resources of the three Texas Department of Transportation (TxDOT) border districts, and overseeing the implementation of federal and state one-stop inspection stations to expedite trade and traffic; and

Whereas, The senate committee reported that Texas border crossings account for approximately 80 percent of United States-Mexico truck traffic, but the state is awarded only 15 percent of the federal funds allocated for trade corridors; information from TxDOT indicates that Texas receives considerably less than its fair share of discretionary funds allocated by the federal government; recent estimates by TxDOT indicate that, even though Texas is the second largest state in the nation, the state currently receives only 49 cents on the dollar in federal highway discretionary program funds; and

Whereas, The border ports of entry are the primary gateway for commerce for Texas and the nation but have become an economic choke point as a result of the staggering volume of traffic they must handle; in 1997, more than 2.8 million trucks crossed into and from Mexico; and

Whereas, In July 1999, the General Accounting Office (GAO) reported that NAFTA-related traffic along the border region has taxed the local and regional transportation infrastructure and that the resulting lines of traffic, which can run up to several miles during peak periods, are associated with air pollution caused by idling vehicles; and

Whereas, The GAO also cited federal and local officials' concerns about congestion affecting safety around the ports of entry and noted that congestion can have a negative impact on businesses that operate on a just-in-time schedule and rely on regular cross-border shipments of parts, supplies, and finished products; and

Whereas, The senate committee reported that in the last decade total northbound truck crossings, from Mexico into Texas, increased by 215.8 percent, while vehicle crossings increased by 59 percent and pedestrian crossings by 18.5 percent; in that same period, southbound truck crossings from Texas to Mexico increased by 278.1 percent to 2.1 billion crossings, vehicle crossings by 53.9 percent to 37.9 million crossings, and pedestrian crossings by 30.8 percent to 18.5 million crossings; and

Whereas, According to some estimates, heavy truck traffic is expected to increase by 85 percent during the next three decades and severely degrade existing roads and bridges; according to TxDOT officials, one fully loaded 18-wheel truck causes as much damage as 9,600 cars; with such a significant increase of trade and cross-border activity in the border ports of entry and the border transportation districts, state and federal leaders have cause for concern about whether the current infrastructure can continue to support Texas' economic growth and, in particular, trade with Mexico; and

Whereas, The Texas Department of Economic Development (TDED) reported last year that Mexico is Texas' largest export destination and has been a chief contributor to the state's export growth; in 1999, exports to Mexico accounted for 45.5 percent of the state total and were valued at $41.4 billion; and

Whereas, The TDED has concluded that Texas accounts for 20.8 percent of the total U.S. exports to the North American market, largely because of very high export levels to Mexico; in recent years, Mexico has become the nation's second largest market, and Texas' ties to Mexico are the primary contributors to the state's high share of overall U.S. exports; and

Whereas, The comptroller of public accounts of the State of Texas has reported that exports account for 14 percent of our gross state product, up from six percent in 1985; in 1999, $100 billion in two-way truck trade passed through the Texas-Mexico border; NAFTA economic activity has tripled on the border, and trade with Mexico accounts for one in every five jobs in Texas; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United states and the president of the United States, in light of the proposed change in federal policy that will further open the border areas to Mexican truck travel, to recognize the unique planning, capacity, and infrastructure needs of Texas' border ports of entry and the high-priority transportation corridors; and, be it further

Resolved, That the Texas Legislature request the congress and the president to recognize the impact of this policy by earmarking $3 billion to fund the construction of one-stop federal and state inspection facilities that are open 24 hours per day along the Texas border region, as well as to fund infrastructure improvements and construction projects at border ports of entry; and, be it further

Resolved, That the Texas Legislature urge the congress to rectify the funding imbalance that Texas has historically experienced from the federal government, as evident in the fact that, although Texas handles 80 percent of all NAFTA-related traffic and is the second largest state in the nation, it has been awarded only 15 percent of the federal funds allocated for high-priority trade corridors; and, be it further

Resolved, That the Texas Legislature request that the congress and the president also increase the percentage in federal discretionary money that Texas has historically received by earmarking $4 billion for critical NAFTA-related planning, capacity, and right-of-way acquisition needs and $3 billion for immediate construction, maintenance, and planning needs for rural roadways that are impacted by NAFTA-related traffic, as well as those of emerging NAFTA-related corridors; and, be it further

Resolved, That the Texas Legislature urge the congress and the president to reaffirm their commitment to public safety in Texas as well as in the United States by earmarking $1 billion for law enforcement needed to prepare for the influx of Mexican trucks with access to travel throughout the border and beyond; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house or representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–127. A concurrent resolution adopted by the Senate of the legislature of the State of Texas relative to the removal of trade, financial, and travel restrictions relating to Cuba; to the Committee on Foreign Relations.

SENATE CONCURRENT RESOLUTION NO. 54

Whereas, The relationship between the United States and Cuba has long been marked by tension and confrontation; further heightening this hostility is the 40-year-old United States trade embargo against the island nation that remains the longest-standing embargo in modern history; and

Whereas, Cuba imports nearly a billion dollars' worth of food every year, including approximately 1,100,000 tons of wheat, 420,000 tons of rice, 37,000 tons of poultry, and 60,000 tons of dairy products; these amounts are expected to grow significantly in coming years as Cuba slowly recovers from the severe economic recession it has endured following the withdrawal of subsidies from the former Soviet Union in the last decade; and

Whereas, Agriculture is the second-largest industry in Texas, and this state ranks among the top five states in overall value of agricultural exports at more than $3 billion annually; thus, Texas is ideally positioned to benefit from the market opportunities that free trade with Cuba would provide; rather than depriving Cuba of agricultural products, the United States embargo succeeds only in driving sales to competitors in other countries that have no such restrictions; and

Whereas, In recent years, Cuba has developed important pharmaceutical products, namely, a new meningitis B vaccine that has virtually eliminated the disease in Cuba; such products have the potential to protect Americans against diseases that continue to threaten large populations around the world; and

Whereas, Cuba's potential oil reserves have attracted the interest of numerous other countries who have been helping Cuba develop its existing wells and search for new reserves; Cuba's oil output has increased more than 400 percent over the last decade; and

Whereas, The United States' trade, financial, and travel restrictions against Cuba hinder Texas' exports of agricultural and food products, its ability to import critical energy products, the treatment of illnesses experienced by Texans, and the right of Texans to travel freely; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to consider the removal of trade, financial, and travel restrictions relating to Cuba; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM—128. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the addition of 18 federal judges and commensurate staff to handle the current and anticipated caseloads along the United States-Mexico border, to the Committee on the Judiciary.

SENATE CONCURRENT RESOLUTION NO. 12

Whereas, The strategy of the United States Department of Justice to reduce crime along the United States border by focusing on illegal immigration, alien smuggling, and drug trafficking generated an explosion in arrests by agents from the United States Customs Service, the Drug Enforcement Administration, and the Immigration and Naturalization Service at border checkpoints; and

Whereas, In 1999, the five federal southwestern judicial districts along the border, including two in Texas, received 27 percent of all criminal case filings in the United States while the other 73 percent were spread among the country's remaining 84 federal district courts; and

Whereas, From 1996 to 1997, the total number of federal criminal cases filed in the Western and Southern districts of Texas doubled, and from 1997 to 1999, the number of drug cases filed in the Western District of Texas increased 64 percent and 100 percent in the Southern District of Texas; and

Whereas, Judicial resources in the five southwestern border districts have increased by only four percent, and since 1990, congress has not approved any new judges for the Western District of Texas, which leads the nation in the filing of drug cases; and

Whereas, As a result of the federal courts being inundated by this unprecedented number of new drug and illegal immigration indictments, the federal authorities no longer prosecute offenders caught with less than a substantial amount of contraband; these cases are instead referred to the local district attorneys in the border counties of Texas to prosecute; and

Whereas, As a result, local governments in the border counties, who are among the poorest in the United States, are being overwhelmed with the costs involved in prosecuting and incarcerating federal criminals; and

Whereas, The annual cost to prosecute these federal criminal cases ranges from $2.7 million to approximately $8.2 million per district attorney jurisdiction, and it is anticipated that the total cost will reach $25 million per year; and

Whereas, The federal government has infinitely more resources than state and local governments and in turn must shoulder a larger portion of the financial burden; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to authorize an additional 18 federal judges and commensurate staff to handle the current and anticipated caseloads along the United States-Mexico border and to fully reimburse local governments for the costs incurred in prosecuting and incarcerating federal defendants; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the Senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–129. A concurrent resolution adopted by the Senate of the Legislature of the State

of Texas relative to federal and state controlled emission sources; to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 35

Whereas, Air pollution has a potentially serious impact on the health of many Americans, including a majority of the nearly 21 million residents of the State of Texas, and is a matter of concern to both federal and state governments, which share a responsibility to clean up the environment and protect the public health; and

Whereas, In metropolitan areas where the problem is most severe, achieving federally mandated reductions in the emission of certain pollutants within the time lines established by the United States Environmental Protection Agency (EPA) will be possible only through an appropriate combination of federal, state, and local actions, including not only stringent local and state emission controls but also the timely implementation of federal controls; and

Whereas, Emissions may be regulated by either the state's environmental regulation agency or the federal government, depending on their origin; and

Whereas, For example, emissions from an industrial facility, such as a utility company or petroleum refinery, are subject to state regulations, while gasoline and diesel fuel standards and emissions from aircraft, airport ground support equipment, automobiles, trucks, marine engines, and locomotives are all federally controlled; and

Whereas, Under recent federal action, the EPA will require buses and commercial trucks to produce 95 percent less pollution than today's buses and trucks and will require the amount of sulfur in diesel fuel to be reduced by 97 percent; these measures alone are expected to cut air pollution by as much as 95 percent; and

Whereas, At issue is the fact that the low-sulfur diesel fuel provisions will not go into effect before 2006, and diesel fuel engine manufacturers will have flexibility in meeting the new emission standards due to phase in between 2007 and 2010; the slow rate of turnover among commercial fleets means that these federal emission control measures will likely have little effect until several years after that, when a sufficient number of these trucks and buses are in operation; and

Whereas, Currently, the State of Texas has nine metropolitan areas that either have been designated as nonattainment areas by the EPA or are close to exceeding the National Ambient Air Quality Standards (NAAQS) for one or more of the regulated pollutants; these nonattainment or near-nonattainment areas have been given strict time lines for their emission reduction efforts based on the severity of pollution in the area; and

Whereas, Because of the lengthy time line for the reduction of emissions from federally controlled sources, the federally mandated attainment date for some NAAQS nonattainment regions in Texas, such as the Houston-Galveston-Brazoria area, will arrive long before the effects of federal air quality improvement efforts can be realized; and

Whereas, Texas is forced to require state-controlled emission sources to make significant reductions in pollution in a relatively short period of time while federally controlled sources continue to contaminate the state's environment; and

Whereas, The incongruence in the federal and state time lines for emission reductions places an undue burden on the state to lower air pollution significantly enough to be in attainment with the NAAQS without a corresponding decrease in emissions from any of the myriad federally controlled emission sources; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to require federally controlled emission sources to reduce their emissions by the same percentages and on the same schedule as state-controlled sources; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the CONGRESSIONAL RECORD as a memorial to the Congress of the United States of America.

POM–130. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the federal regulation relating to the three-shell limit and the magazine plug requirement found in 50 C.F.R. Section 20.21; to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 28

Whereas, During the late 19th and early 20th centuries, the harvesting of migratory game birds for subsequent resale, or ''market hunting,'' was widespread, and this wasteful method led to federal regulations to eliminate the practice in all 50 states; and

Whereas, One regulation adopted to curtail this practice limits the number of shells a shotgun can hold to no more than three and requires shotgun magazines to have a plug to effect the three-shell limit; and

Whereas, In the ensuing years, additional regulations have been enacted to protect migratory game birds, such as the current federal and state daily or seasonal bag limits that regulate the number of game birds that can be killed or possessed by a hunter, making the three-shell limit and the magazine plug requirement unnecessary and archaic; and

Whereas, Enforcing outdated regulations wastes limited law enforcement resources that could be better utilized enforcing other hunting laws, such as bag limits; and

Whereas, A game bird wounded by a third shot that cannot subsequently be killed by a fourth shot suffers an inhumane death and is a waste of game resources; and

Whereas, The greater frequency of loading a shotgun necessitated by the three-shell limit creates a safety hazard for the hunter; and

Whereas, Because migratory game birds can be protected by other federal and state regulations, the enforcement of the three-shell limit and magazine plug requirement is no longer necessary and should be discontinued; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to repeal the federal regulation relating to the three-shell limit and the magazine plug requirement found in 50 C.F.R. Section 20.21; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–131. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to designating threatened species and critical habitat for the Arkansas River shiner; to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 51

Whereas, Under rules adopted on November 23, 1998, the Fish and Wildlife Service of the United States Department of the Interior listed the Arkansas River shiner (*Notropis girardi*), a minnow whose present range includes portions of the Canadian River in Texas, as a threatened species pursuant to the federal Endangered Species Act; and

Whereas, Subsequent rules adopted on April 4, 2001, which follow from policy reconsideration stipulated in an agreed settlement order, designate 1,148 miles of river segments in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as critical habitat for the species; and

Whereas, This state's Parks and Wildlife Department recommended against listing the Arkansas River shiner as an endangered or even threatened species because such a listing was scientifically unsound and unnecessary; and

Whereas, The Fish and Wildlife Service refused to enter a Memorandum of Understanding concerning recovery of the Arkansas River shiner with the states of Texas and Oklahoma, yet in its recent rule adoption notice concedes that ideally a recovery plan should precede critical habitat designation; and

Whereas, Its designation, which becomes effective on May 4, 2001, includes a portion of the Canadian River that makes up the headwaters of Lake Meredith, and as such could potentially interfere with the reservoir's water supply and flood control functions; and

Whereas, Critical habitat designation enhances the likelihood that the Endangered Species Act of 1973, as amended, might be used as a vehicle for direct regulation of Texas groundwater and surface water use by the federal government or the federal courts; and

Whereas, Notwithstanding its recent final rule adoption, the Fish and Wildlife Service states that it continues to solicit additional public comments on the issue toward possible new approaches to recovery planning; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby urge the United States Department of the Interior to reconsider the necessity of designating the Arkansas River shiner as a threatened species and the necessity of designating critical habitat in Texas for the Arkansas River shiner; and, be it further

Resolved, That the 77th Legislature of the State of Texas urge the Parks and Wildlife Department and the Office of the Attorney General to take all reasonable steps to ensure that portions of the Canadian River in Texas be designated as critical habitat only to the extent that such designation is absolutely necessary, scientifically justifiable, and economically prudent; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the secretary of the interior, to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America; and, be it further

Resolved, That the Texas secretary of state forward an official copy of this resolution to the executive director of the Parks and Wildlife Department and to the attorney general of Texas.

POM–132. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the reduction of pollution and the protection of the environment through the implementation of federal regulations; to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 22

Whereas, The reduction of pollution and the protection of the environment is of great concern to both the federal government and the Texas Legislature; and

Whereas, To protect its natural resources and environment as effectively as possible, Texas needs greater flexibility in its implementation of federal regulations; and

Whereas, The current command-and-control approach instituted by the United States Environmental Protection Agency to limit pollution at the state level through the use of a federally mandated permitting process has proven to be moderately successful at reducing pollution, but it is also an overly prescriptive process that is unduly burdensome and costly to both the states and the regulated facilities relative to the results achieved; and

Whereas, Alternative paradigms are available, including outcome-based assessment methods that allow the state to measure the actual reduction of pollution rather than simply monitoring each facility's compliance with its permit; and

Whereas, States should be given greater latitude to implement innovative regulatory programs and other pollution reduction methods that vary from the current model, which requires states to adhere strictly to the federally mandated permitting process; and

Whereas, Providing this flexibility would allow states such as Texas to tailor appropriate and effective approaches to state-specific environmental problems rather than expending resources to ensure compliance with one-size-fits-all regulations that place an inordinate emphasis on procedural detail; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the United States Environmental Protection Agency to provide maximum flexibility to the states in the implementation of federal environmental programs and regulations; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the administrator of the United States Environmental Protection Agency, to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–133. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to amending provisions of the Internal Revenue Code of 1986, as added by PL 106–230; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 77

Whereas, In an attempt to enact meaningful campaign finance reform legislation, the 106th Congress of the United States passed the Full and Fair Political Activities Disclosure Act (Public Law 106–230), which imposed notification and reporting requirements on political organizations claiming tax-exempt status under Section 527 of the Internal Revenue Code; and

Whereas, Public Law 106–230 took effect July 1, 2000, four days after its introduction; the rapidity of its passage through congress reflected the lawmakers' sense of urgency to act, but it also suggests that adequate time was not provided for deliberation of the full ramifications of certain provisions; and

Whereas, The goal of this legislation was to respond to certain political organizations, known as ''stealth PACs,'' that were able to raise and spend unlimited amounts of money for political advocacy without having to disclose the sources and amounts of donations, all while enjoying tax-exempt status; and

Whereas, While the Texas Legislature supports the laudable goal of holding all participants in the political process accountable to the public, the members of this body believe that this well-intentioned Act has had unintended consequences and has adversely affected individuals and organizations beyond its original intent; and

Whereas, Public Law 106–230 imposes duplicative and burdensome federal reporting and disclosure requirements on local and state candidates, their campaign committees, and local and state political parties that already are required to file detailed reports with their respective state election officials; and

Whereas, These requirements have created a paperwork nightmare for entities that are clearly outside the intended scope of PL 106–230 without significantly adding to the body of information available to the public; and

Whereas, A remedy in the form of an exemption for those entities or an exception for information reported and filed elsewhere with state officials would not violate the intention of enforcing public accountability, since the individuals and organizations affected already are required to report and disclose to the state the same information that PL 106–230 now requires them to report to the Internal Revenue Service; nor would it be unprecedented, since a similar exemption already exists for candidates, campaign committees, and party organizations engaged in federal elections, who are required by FECA to report that information to the Federal Election Commission; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to amend provisions of the Internal Revenue Code of 1986, as added by PL 106–230, to exempt state and local political committees that are required to report to their respective states from notification and reporting requirements imposed by PL 106–230; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–134. A concurrent resolution adopted by the Senate of the Legislature relative to providing tax credits to individuals buying private health insurance; to the Committee on Finance.

SENATE CONCURRENT RESOLUTION NO. 37

Whereas, Almost 90 percent of all health insurance is paid for by and through employer programs, providing the majority of American workers with affordable access to health care; and

Whereas, Generous federal tax code provisions that make employee contributions to employer-provided health insurance fully deductible from federal individual income taxes allow employees participating in such plans to purchase the coverage they need in a cost-effective manner; and

Whereas, Some employers benefit from the health insurance they provide since the tax code also allows them to deduct the cost of the health insurance they offer employees from their corporate income taxes as a business expense; and

Whereas, Not everyone is fortunate enough to be able to participate in an employer-provided health plan, and those who purchase private health insurance do not receive tax breaks of any kind; for these individuals, a dollar in pretax wages may buy only 50 cents' worth of health insurance after federal, state, and local taxes are taken out; and

Whereas, Congress has responded to this issue with the 1999 Omnibus Appropriations Act, which gives a 60 percent tax deduction for insurance expenses to those who are self-employed; this deduction is scheduled to rise to 100 percent by 2003; and

Whereas, For individuals who purchase private health insurance and bear the full cost of a policy without the benefit of an employer's contributions, this deduction does little to make that private insurance affordable, since tax deductions provide a less substantial tax break than tax credits; while a tax deduction is subtracted from a person's income when calculating taxes, a tax credit is subtracted from the person's bottom line of taxes owed; and

Whereas, Tax credits will give consumers more choice in health plans because employees would no longer be limited to insurance offered by employers; furthermore, consumers who bought their own private health insurance could maintain their coverage even if they changed jobs without any lapse in coverage; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to provide tax credits to individuals buying private health insurance; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the President of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–135. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to amending the Internal Revenue Code of 1986 to allow for the issuance of tax-exempt bonds for the purpose of financing air pollution control facilities nonattainment areas; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 226

Whereas, The Houston-Galveston-Brazoria (HGB) area is classified as a serious nonattainment area and the Beaumont-Port Arthur (BPA) area is classified as a moderate nonattainment area for the one-hour ozone standard and both are likely to be classified as nonattainment areas for the proposed eight-hour ozone standards and for the particulate matter 2.5 standards, should those standards be reinstated; and

Whereas, The State of Texas recently submitted revisions of its State Implementation Plan (SIP) for the HGB and BPA areas the United States Environmental Protection Agency (EPA) outlining measures that will be taken in order to achieve compliance with the National Ambient Air Quality Standards for ozone; and

Whereas, For the HGB and BPA areas to be classified as in attainment for ozone, the regions must make significant reductions in air containment emissions from several types of sources, including industrial point

sources such as petroleum refineries and chemical plants; and

Whereas, Strategies aimed at controlling industrial emissions target specific industries and facilities, requiring them to bear up front the high costs of installing emission control technologies; and

Whereas, While pollution control technologies can be effective in reducing emissions, the technology that many companies are required to purchase by the ozone SIP can cause a tremendous financial strain on an individual entity and affect entire industries; and

Whereas, Some industries, including agricultural, chemical production, gasoline terminals, and oil and natural gas production and petroleum refineries, must purchase costly maximum achievable control technology in order to be in compliance with the ozone SIP; and

Whereas, The Texas Gulf Coast has a crude operatable capacity of 3.462 barrels of refined petroleum products per calendar day, i.e. 84.6 percent of the Texas total and 21.9 percent of the U.S. total; and

Whereas, The HGB area is home to more than 400 chemical plants employing more than 38,200 people and the BPA area is home to numerous chemical plants and industrial operations employing more than 20,000 people; and

Whereas, The Houston Gulf Coast has nearly 49 percent of the nation's base petrochemicals manufacturing capacity; this is more than quadruple the manufacturing capacity of its nearest U.S. competitor; and

Whereas, Many of the commodities produced in this area are distributed throughout the nation, yet, while the entire country benefits from the petroleum refining and petrochemical industries, these industries must bear the up-front costs of environmental compliance while faced with global competition without significant federal assistance; and

Whereas, Currently, the federal government authorizes the issuance of tax-exempt facility bonds to finance the building of installations that are used for the public good, such as airports, water plants, sewage and solid waste systems, and some hazardous waste facilities; however, since 1986, such bond issues have no longer been authorized for air pollution control facilities; and

Whereas, The reduction of air pollution clearly benefits all residents of the state, and air contaminant emission reductions are mandated by the federal government in nonattainment areas; given the severity of the up-front financial costs that are to be incurred in order to reduce the air contaminant emissions in Texas nonattainment areas, restoring the previous provision that allowed the issuance of tax-exempt facility bonds to finance air pollution control facilities would significantly enhance the ability of regions such as the Houston-Galveston-Brazoria and Beaumont-Port Arthur areas to meet applicable National Ambient Air Quality Standards and avoid future sanctions; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to amend the Internal Revenue Code of 1986 to allow for the issuance of tax-exempt facility bonds for the purpose of financing air pollution control facilities in nonattainment areas and to provide that such tax-exempt facility bonds issued during the years of 2003, 2004, 2005, 2006, or 2007 for the construction of such air pollution control facilities not be subject to the volume cap requirements; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–136. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to establishing a separate Federal Medical Assistance Percentage for the Texas-Mexico border region; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 214

Whereas, The Texas-Mexico border region suffers from an inadequate medical infrastructure that has led to disparities in access to health care between the border region and the rest of the state; and

Whereas, Statewide in 1998, there was an average of 270 Medicaid-eligible patients for every physician participating in the Medicaid program, but in the border counties where there were participating physicians, the number of eligible patients per physician ranged from a low of 416 in El Paso County to a high of 1,361 in Starr County; in two counties, Presidio and Zapata, there were no participating physicians at all to serve the Medicaid-eligible population; and

Whereas, The border region historically has had high patient-to-physician ratios, resulting in limited access to health care services and reduced utilization rates for these services; in addition, the availability of medical care in Mexico may also reduce utilization rates for the region; and

Whereas, Low utilization rates along the border create a distorted assessment of the actual demand for services and inappropriately drive down the capitated reimbursement rates for both Medicaid and the Children's Health Insurance Program (CHIP); and

Whereas, The average per-recipient reimbursement for the border region is 16 percent less than the statewide average, which creates a disincentive for health care providers to locate and provide services to Medicaid clients in the region; furthermore, low reimbursement rates complicate already limited access to health care as existing providers either leave the program or limit their participation; and

Whereas, Current Medicaid and CHIP reimbursement rates simply trap the Texas-Mexico border counties in a cycle of limited access to care, low utilization rates, and low reimbursement rates, all of which further damage the medical infrastructure of the region and create greater barriers to health care access for Medicaid and CHIP clients; and

Whereas, The unique issues facing the border may not be apparent when evaluations of the state as a whole mask discrepancies between the border and the rest of the state; calculating the federal share of the state's Medicaid costs, or the Federal Medical Assistance Percentage (FMAP), using the state's per capita income may not provide an accurate assessment of the border region's needs; and

Whereas, Establishing a separate FMAP for the border region would recognize these unique circumstances and allow current state Medicaid funding in the region to draw down additional federal funds that would help eliminate the reimbursement disparity; and

Whereas, Unless this disparity is resolved, the region will continue to suffer from an inadequate health care infrastructure that is unable to address the medical needs of the border residents; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to establish a separate Federal Medical Assistance Percentage for the Texas-Mexico border region; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–137. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to the SS Leopoldville; to the Committee on Armed Services.

HOUSE CONCURRENT RESOLUTION NO. 201

Whereas, On Christmas Eve 1944, while carrying American soldiers of the 66th Infantry Division to reinforce Allied troops fighting the Battle of the Bulge, the SS Leopoldville was sunk in the English Channel by a U-boat torpedo, resulting in the loss of 763 members of the 262nd and 264th regiments, including 35 Texans; and

Whereas, The underwater grave, located five and a half miles off the coast of Cherbourg, France, cradles to this day the remains of 493 unrecovered and entombed American servicemen who have been honored by monuments erected across the United States in their memory; and

Whereas, World War II combat and wreckage locations, including many at sea, have fallen prey to plunderers and looters who, in seeking souvenirs and commercial reward, have desecrated the memory of our valorous combatants and their final resting places; and

Whereas, The wreckage of the SS Leopoldville is threatened by the practice of divers who descend to remove such artifacts as brass, portholes, and other parts of the ship and who, if unchecked, may begin to extract the personal effects and military equipment of the deceased and in so doing disturb the sanctity of their burial site; and

Whereas, The State of New York has issued a proclamation in memory of the victims of the SS Leopoldville, and at least a dozen like measures have been passed by other states to commemorate the men who lost their lives in this tragedy and to ensure that they continue their silent rest in dignity; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby honor the American servicemen who were lost when the troopship SS Leopoldville was sunk by an enemy torpedo on December 24, 1944; and, be it further

Resolved, That the Texas Legislature respectfully memorialize the Congress of the United States to take appropriate action to prevent further desecration of the SS Leopoldville or any of its contents; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–138. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the Minerals Management Service plan to proceed with the Outer

Continental Shelf Lease Sale 181; to the Committee on Energy and Natural Resources.

SENATE CONCURRENT RESOLUTION NO. 34

Whereas, A strong domestic oil and gas industry is vitally important to the United States economy and national defense; and

Whereas, This nation's domestic oil and gas production has decreased by 2.7 million barrels per day during the last 13 years, a 17 percent decline, at the same time that domestic consumption of oil has increased by more than 14 percent; and

Whereas, Currently, the United States imports approximately 55 percent of the oil needed for the American economy, while the demand for refined petroleum products is projected to increase by more than 35 percent and the demand for natural gas is projected to increase by more than 45 percent over the next two decades; and

Whereas, Much of the nation's greatest potential for future domestic production lies in areas that are currently off limits to oil and natural gas exploration and development, including areas under congressional or presidential moratoria in the federal Outer Continental Shelf (OCS), where vast amounts of oil and natural gas may be available for extraction; and

Whereas, For the first time since 1988, the Minerals Management Service, a bureau of the United States Department of the Interior that manages the nation's oil, gas, and other mineral resources in the OCS, has proposed an OCS lease sale for the eastern Gulf of Mexico, in the portion of the Gulf 100 miles southwest of the Florida Panhandle and 15 miles south of the Alabama coastline; the bureau's tentative schedule calls for bid opening and reading in December 2001; and

Whereas, The oil and gas industry has demonstrated that it can be a good steward of the environment while operating in the Gulf of Mexico; and

Whereas, Oil and gas production from this area of the Gulf of Mexico would help offset current domestic energy production declines and assist the nation in meeting future energy demand; and

Whereas, Numerous positive economic benefits for the State of Texas have been created by oil and gas industry activities in the Gulf, and many of the exploration and production companies that would participate in the OCS Lease Sale 181 are headquartered in Texas as are many of the oil field supply and service companies that would benefit by increased activities; and

Whereas, The economic benefits that would result from oil and natural gas exploration, development, and production of leases acquired in OCS Lease Sale 181 would continue to benefit the State of Texas and all the states bordering the Gulf of Mexico; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby declare support for the Minerals Management Service plan to proceed with the Outer Continental Shelf Lease Sale 181 for the eastern Gulf of Mexico scheduled for December 5, 2001; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the Director of the Minerals Management Service, to the Secretary of the Interior, to the President of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 16: A resolution designating August 16, 2001, as ''National Airborne Day''.

S. Con. Res. 16: A concurrent resolution expressing the sense of Congress that the George Washington letter to Touro Synagogue in Newport, Rhode Island, which is on display at the B'nai B'rith Klutznick National Jewish Museum in Washington, D.C., is one of the most significant early statements buttressing the nascent American constitutional guarantee of religious freedom.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

Mr. LEAHY. Mr. President, for the Committee on the Judiciary.

Ralph F. Boyd, Jr., of Massachusetts, to be an Assistant Attorney General.

Robert D. McCallum, Jr., of Georgia, to be an Assistant Attorney General.

Roger L. Gregory, of Virginia, to be United States Circuit Judge for the Fourth Circuit.

Sam E. Haddon, of Montana, to be United States District Judge for the District of Montana.

Richard F. Cebull, of Montana, to be United States District Judge for the District of Montana.

Eileen J. O'Connor, of Maryland, to be an Assistant Attorney General.

Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DODD (for himself, Mr. LIEBERMAN, and Mr. SESSIONS):

S. 1197. A bill to authorize a program of assistance to improve international building practices in eligible Latin America countries; to the Committee on Foreign Relations.

By Mr. LIEBERMAN (for himself and Mr. THOMPSON):

S. 1198. A bill to reauthorize Franchise Fund Pilot Programs; to the Committee on Governmental Affairs.

By Mrs. HUTCHISON (for herself, Mr. BREAUX, Ms. COLLINS, Mr. BAUCUS, Mr. CHAFEE, Ms. LANDRIEU, Mr. LOTT, Mr. CONRAD, Mr. MURKOWSKI, Mr. ALLARD, Mr. BROWNBACK, Mr. COCHRAN, Mr. DOMENICI, Mr. GRAMM, Mr. ENZI, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. NICKLES, Mr. STEVENS, and Mr. THOMAS):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for marginal domestic oil and natural gas well production and an election to expense geological and geophysical expenditures and delay rental payments; to the Committee on Finance.

By Mr. CLELAND (for himself and Mr. LIEBERMAN):

S. 1200. A bill to direct the Secretaries of the military departments to conduct a review of military service records to determine whether certain Jewish American war veterans, including those previously awarded the Distinguished Service Cross, Navy Cross, or Air Force Cross, should be awarded the Medal of Honor; to the Committee on Armed Services.

By Mr. HATCH (for himself, Mr. BREAUX, Mrs. LINCOLN, Mr. ALLARD, Mr. THOMPSON, and Mr. GRAMM):

S. 1201. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Finance.

By Mr. LIEBERMAN (for himself and Mr. THOMPSON):

S. 1202. A bill to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2006; to the Committee on Governmental Affairs.

By Mr. SCHUMER:

S. 1203. A bill to amend title 38, United States Code, to provide housing loan benefits for the purchase of residential cooperative apartment units; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURBIN (for himself, Mr. ROCKEFELLER, Mr. EDWARDS, Mr. BIDEN, Mr. DORGAN, Mr. JOHNSON, and Mr. LEVIN):

S. 1204. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant; to the Committee on Finance.

By Mr. BENNETT:

S. 1205. A bill to adjust the boundaries of the Mount Nebo Wilderness Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. VOINOVICH (for himself, Mr. INHOFE, Mr. FRIST, and Mr. MCCONNELL):

S. 1206. A bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOMENICI:

S. 1207. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Albuquerque, New Mexico, metropolitan area; to the Committee on Veterans' Affairs.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Mr. LIEBERMAN, Mr. DURBIN, Ms. LANDRIEU, Mrs. CLINTON, and Mr. SCHUMER):

S. 1208. A bill to combat the trafficking, distribution, and abuse of Ecstasy (and other club drugs) in the United States; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BREAUX, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. JEFFORDS, Mr. BAYH, Mr. DAYTON, and Mr. LIEBERMAN):

S. 1209. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

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

S. Res. 137. A resolution to authorize representation by the Senate Legal Counsel in John Hoffman, et al. v. James Jeffords; considered and agreed to.

ADDITIONAL COSPONSORS

S. 242

At the request of Mr. BINGAMAN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 242, a bill to authorize funding for University Nuclear Science and Engineering Programs at the Department of Energy for fiscal years 2002 through 2006.

S. 367

At the request of Mrs. BOXER, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 367, a bill to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations with respect to the provision of assistance under part I of the Foreign Assistance Act of 1961.

S. 392

At the request of Mr. SARBANES, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 392, a bill to grant a Federal Charter to Korean War Veterans Association, Incorporated, and for other purposes.

S. 501

At the request of Mr. GRAHAM, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 501, a bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services.

S. 565

At the request of Mr. DODD, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 565, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

S. 567

At the request of Mr. SESSIONS, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 567, a bill to amend the Internal Revenue Code of 1986 to provide capital gain treatment under section 631(b) of such Code for outright sales of timber by landowners.

S. 620

At the request of Mr. HARKIN, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 620, a bill to amend the Elementary and Secondary Education Act of 1965 regarding elementary school and secondary school counseling.

S. 661

At the request of Mr. THOMPSON, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel exercise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 826

At the request of Mrs. LINCOLN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 826, a bill to amend title XVIII of the Social Security Act to eliminate cost-sharing under the medicare program for bone mass measurements.

S. 829

At the request of Mr. BROWNBACK, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 836

At the request of Mr. CRAIG, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 836, a bill to amend part C of title XI of the Social Security Act to provide for coordination of implementation of administrative simplification standards for health care information.

S. 852

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

S. 880

At the request of Mrs. LINCOLN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 880, a bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant, and for other purposes.

S. 905

At the request of Mr. HARKIN, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 905, a bill to provide incentives for school construction, and for other purposes.

S. 942

At the request of Mr. GRAHAM, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 942, a bill to authorize the supplemental grant for population increases in certain states under the temporary assistance to needy families program for fiscal year 2002.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from New York (Mr. SCHUMER) 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. 1017

At the request of Mr. DODD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1017, a bill to provide the people of Cuba 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. 1018

At the request of Mr. LEVIN, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1018, a bill to provide market loss assistance for apple producers.

S. 1075

At the request of Mr. BIDEN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1075, a bill to extend and modify the Drug-Free Communities Support Program, to authorize a National Community Antidrug Coalition Institute, and for other purposes.

S. 1169

At the request of Mr. FEINGOLD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1169, a bill to streamline the regulatory processes applicable to home health agencies under the medicare program under title XVIII of the Social Security Act and the medicaid program under title XIX of such Act, and for other purposes.

S. 1195

At the request of Mr. SARBANES, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1195, a bill to amend the National Housing Act to clarify the authority of the Secretary of Housing and Urban Development to terminate mortgagee origination approval for poorly performing mortgagees.

At the request of Mr. SARBANES, the name of the Senator from Nevada (Mr. REID) was withdrawn as a cosponsor of S. 1195, supra.

S. RES. 109

At the request of Mr. REID, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. Res. 109, a resolution designating the second Sunday in the month of December as ''National Children's Memorial Day'' and the last Friday in the month of April as ''Children's Memorial Flag Day.''

S. CON. RES. 52

At the request of Mr. CORZINE, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. Con. Res. 52, a concurrent resolution expressing the sense of Congress that reducing crime in public housing should be a priority, and that the successful Public Housing Drug Elimination Program should be fully funded.

S. CON. RES. 59

At the request of Mr. HUTCHINSON, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Missouri (Mrs. CARNAHAN) were added as cosponsors of S. Con. Res. 59, a concurrent resolution expressing the sense of Congress that there should be established a National Community Health Center Week to raise awareness of health services provided by community, migrant, public housing, and homeless health centers.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DODD (for himself, Mr. LIEBERMAN, and Mr. SESSIONS):

S. 1197. A bill to authorize a program of assistance to improve international building practices in eligible Latin American countries; to the Committee on Foreign Relations.

Mr. DODD. Mr. President, I rise today to introduce legislation that will improve building safety in Latin America, increase the cost-effectiveness of our disaster relief assistance, and, most importantly, save lives. As many of us know, throughout the last decade, the people of Latin America have been the victims of numerous natural disasters that have resulted in death, property damage, and destruction. Indeed, in the last three years the continent has been ravaged by Hurricane Mitch, earthquakes in El Salvador and Peru, and horrendous rains and mudslides. These disasters have exacted a tremendous toll on the region, causing over 12,000 deaths, $40 billion in damage, and numerous injuries.

The cost to rebuild following these disasters is prohibitive and places a tremendous burden on the already struggling emerging economies of Latin America. To mitigate this cost, the United States has frequently released disaster relief funds to help affected countries recover the injured, maintain order, and rebuild their infrastructure. For example, the combined assistance released by the United States following Hurricane Mitch and the recent earthquakes totals over $1.2 billion. I fully support these appropriations, and believe that we have a duty to assist our neighbors and allies when they are confronted with natural disasters. I do, however, believe that we can make this assistance more cost-effective in the long run, while saving lives.

As I stated, I fully support offering U.S. monetary assistance to rebuild following natural disasters. However, because much of Latin America does not utilize modern, up-to-date building codes, much of this assistance goes to waste. For example, following the earthquakes in El Salvador in 1986, the United States provided $98 million dollars to rebuild that country. Most of the reconstruction was done by local Salvadoran contractors, and these structures were not built to code. Now, 15 years later, following the most recent earthquakes in El Salvador, the United States offered over $100 million dollars in aid. Had reconstruction in 1986 been done to code, undoubtedly the cost of the most recent earthquake would have been lower in both monetary value and lives.

To remedy this problem, and encourage safe, modern building practices in countries that need them the most, I introduce today, with my colleagues Senator LIEBERMAN and Senator SESSIONS, the Code and Safety for the Americas, CASA Act. The CASA Act would authorize the expenditure of $3 million over two years from general foreign aid funds to translate the International Code Council family of building codes, which are the standard for the United States, into Spanish. Furthermore, it would provide funding for the International Code Council's proposal to train architects and contractors in El Salvador and Ecuador in the proper use of the code. By educating builders and providing them the necessary code for their work in their own language, it is only a matter of time before we will begin to see safer buildings in the region, and a return on our investment. The United States spent over $10 million in body bags, temporary tent housing, and first aid alone following the recent earthquake in El Salvador. For a comparatively modest sum, $3 million, we can reduce the need for this type of aid by attacking the problem of shoddy building before it begins.

In addition, after this program has been implemented in El Salvador and Ecuador, it could easily be replicated in other Latin American countries at low cost, requiring only funding for the training program. While we want to start this program on a small scale, I am confident that other countries will request similar training programs in the future. In fact, other countries have already asked to be considered for a future expansion of the program. The Inter-American Development Bank and UN have expressed interest in this idea, and are potential candidates to provide partial funding of any future expansion. Given this interest, it is highly likely that, in the future, a public-private partnership can be constructed to expand this program to Peru, Guatemala, and the rest of Spanish-speaking Latin America. Also, we cannot forget the valuable contributions that American volunteer organizations such as the International Executive Service Corps can make to this program in the long-run.

This legislation is supported by architects, contractors, and public officials both in the United States and in Latin America. Students of architecture in Latin America want to be taught proper standards and code application, and local governments have requested the code in Spanish. So, this is not a case of the ''ugly'' America imposing its will on Latin America. We have been asked to share this life-saving code with our Southern neighbors and, indeed, the number of requests from different countries has been staggering.

In short, this legislation will save lives, lessen the damage caused by future disasters, and illustrate our good will toward our Latin American allies while proving to be cost-effective for the United States through decreased aid following future disasters. For a detailed analysis of the problem, and this solution, I wish to draw my colleagues attention to an article by Steven Forneris, an American architect living in Ecuador, that appeared in ''Building Standards'' magazine. In it, Mr. Forneris argues the value of this proposal from his position at the front lines in Ecuador. He clearly and eloquently outlines why Latin America needs building code reform, and why it is in the best interests of the United States to involve itself in this endeavor.

The CASA Act is common-sense legislation that will dramatically improve the lives of citizens of our hemisphere, and represents a real chance for American leadership in the Hemisphere at very little cost. I hope that my colleagues will join me in this humanitarian effort.

I ask unanimous consent that Mr. Forneris' article be printed in the RECORD.

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

[From Building Standards, March–April 2001]

IS IT WRONG TO ASK FOR HELP ON BUILDING CODES?

(By Stephen Forneris)

I work in the field of architecture, part of the time in the City of Guayaquil, Ecuador, and the other part of the time in New York State. Like everyone involved in this profession, one of my chief responsibilities is to guard the health, safety and welfare of my clients. The architects I work with in New York do this by following the International Codes promulgated by the International Code Council (ICC). When working as an architect myself in the small Latin American nation of Ecuador, which simply does not have the resources to develop a complete building code of its own, I am left with a set of very limited and woefully inadequate codes.

Ecuador developed its current code 20 years ago by translating portions of 1970s versions of the American Concrete Institute ''Building Code Requirements for Reinforced Concrete and the Uniform Building Code'' (UBC). While a noble effort at the time, it is antiquated by today's standards. The adopted provisions only address structural design requirements and the code does not provide for any general life-safety design concerns such as fire and egress. In 1996, the president of Ecuador signed a bill to develop a new code, but it will take years before it is fully complete and will still only consider structural design requirements. So what does this

have to do with the United Nations or the U.S. Government?

As part of its International Decade for Natural Disaster Reduction program, the United Nation's Risk Assessment Tools for Diagnosis of Urban Areas Against Seismic Disasters (RADIUS) project conducted a study of Guayaquil. The RADIUS team determined there to be a 53-percent chance that a magnitude 8.0 or greater earthquake will strike within 200 miles of the city in the next 50 years. An estimated 26,000 fatalities would result, along with approximately 90,000 injuries severe enough to require hospitalization. Projections indicate that up to 75 percent of the local hospitals would be non-operational and 90,000 people left homeless. Power would be out for up to three weeks, telephones inoperable and roads impassable for two months, running water cut off for three months, and sewage systems unusable for a year. All told, damage from the tragedy is expected to exceed one billion U.S. dollars . . . and Guayaquil, which is situated in a zone of high seismic activity that stretches from Chile to Alaska, is not even the most vulnerable of Ecuador's cities.

I watched news of the recent earthquakes in El Salvador and India with apprehension, knowing that it is only a matter of time before Guayaquil joins the ranks of these horrific human disasters. My colleagues in New York and I are shocked at what those poor people must be going through and are proud that our government is doing its part to help. We are a kind people at our core, and the U.S. Agency for International Development (USAID) has given El Salvador $8,365,777 and India $12,595,631 in assistance. I have to wonder, though, if the U.S. government has been able to allocate nearly $21 million over the past few months for international disaster relief, should it not be possible to get funding to mitigate the effects of future disasters like these?

In 1999, James Lee Witt, then director of the U.S. Federal Emergency Management Agency (FEMA) stated: ''At FEMA, we're working to change the way Americans think about disasters. We've made prevention the focus of emergency management in the United States, and we believe strong, rigorously enforced building codes are central to that effort.'' In 1999, FEMA signed an agreement with ICC to encourage states to adopt and enforce the International Building Code (IBC). As the U.S. government has turned to an aggressive program of domestic prevention, it only seems logical to apply this philosophy in its projects abroad.

Guayaquil, and all of Latin America for that matter, needs our help right now. The FEMA-endorsed International Codes arguably provide the best mitigation for natural disasters available in the world, and ICC representatives have informed me that they have a team ready to translate them into Spanish. If USAID is capable of providing such quick and significant funding for plastic sheets, water jugs, hygiene kits, food assistance, etc., why not consider funding translation of the International Codes for a fraction of that cost?

In February of this year, The Associated Press reported that USAID had agreed to provide an additional $3 million to El Salvador for emergency housing. Less than a month later, President Bush pledged $100 million more in aid, which El Salvador's President Francisco Flores has stated will be used to reconstruct basic infrastructure and housing in the country. It is worth recalling that only 15 years ago the U.S. government provided El Salvador reconstruction funds totaling $98 million after a smaller earthquake. This brings the total to more than $200 million in less than 20 years, yet the people of El Salvador are no safer because their homes still do not meet any of the generally accepted U.S. building code standards.

I have to wonder what kind of message we are sending to developing countries? Have we created a ''disaster lottery'' in which needed aid comes only after images of devastation flash across the evening news? If so, South America alone stands to receive hundreds of millions of dollars in disaster relief over the next few years. In contrast, code translation, certification and training would greatly reduce the risk in the region for much less. What we need to do is think about saving lives now. It is sad to think that it may be easier to get coffins in which to bury the dead than the building codes that would save many of those same people's lives. It is my hope that the U.S. and United Nations, motivated by compassion, foresight and simple economics, can help provide all of Latin America with the truly vital and life-protecting building codes the region urgently needs.

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James Lee Witt, Director of U.S. Federal Emergency Management Agency, remarks to the International Code Council, 9/13/99, St. Louis, MO.

Julie Watson, ''El Salvador Seeks Aid after Quake'', 2/15/01. Reprinted with permission of The Associated Press.

Sandra Sobieraj, ''Bush Promises Help For El Salvador,'' 3/2/01. Reprinted with permission of The Associated Press.

By Mrs. HUTCHISON (for herself, Mr. BREAUX, Ms. COLLINS, Mr. BAUCUS, Mr. CHAFEE, Ms. LANDRIEU, Mr. LOTT, Mr. CONRAD, Mr. MURKOWSKI, Mr. ALLARD, Mr. BROWNBACK, Mr. COCHRAN, Mr. DOMENICI, Mr. GRAMM, Mr. ENZI, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. NICKLES, Mr. STEVENS, and Mr. THOMAS):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for marginal domestic oil and natural gas well production and an election to expense geological and geophysical expenditures and delay rental payments; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I rise today to speak about an energy bill I am re-introducing this year, marginal well tax credits. I am proud to introduce the Hutchison-Breaux-Collins Marginal Well Preservation Act of 2001.

As we look to long-term solutions to the high cost of gasoline, electricity and home heating oil, marginal well tax incentives are critical to increasing supply and retaining our energy independence. Our crisis of volatile fuel prices in the U.S. has led this year to historically high gasoline prices, airline ticket surcharges for rising jet fuel costs, and expected problems with high home heating oil costs this coming winter. This problem is real, it is growing, and it demands a response from Congress to join with the Administration to find a comprehensive, long-term solution.

Senators representing all regions of the country, including the Northeast and Midwest have a common interest: to make the United States less susceptive to the volatility of world oil markets by reducing America's dependence on foreign oil. I understand that when the price of home heating oil spikes in the Northeast, it hurts those Senators' constituents. They understand when the price of oil falls below $10 a barrel, as it did just over two years ago, and we lose 18,000 jobs as we did in Texas, that hurts my constituents. We understand that these are merely two sides of the same coin: growing dependence on foreign oil.

In fact, at the heart of my legislation is the goal of reducing our imports of foreign oil to less than 50 percent by the year 2010. While it is incredible to me that we have let America slide into greater than 55 percent dependence today, from the 46 percent dependence we saw in 1992, nevertheless a goal of producing at least half of our oil needs right here in the United States is a laudable and, I believe, an achievable one.

The core problem with our growing dependence on foreign oil is an underutilized domestic reserve base of both crude oil and natural gas. In 1992, we imported 46 percent of our oil needs from overseas. It is equally important to realize that in 1974, when America was brought to her knees by the OPEC oil embargo, we imported only 36 percent of our oil. Today, as I mentioned, we stand at over 55 percent imports. While it is true that OPEC controls less, in percentage terms, of the world oil market than it did in 1974, if the major oil producing countries of the world were ever to get their collective act together, they cold not only wreak havoc with the American economy, they could literally shut it down. As the sole remaining superpower in the world, and as the country with an economy that is the envy of the industrialized world, this threat to our economic as well as our national security is simply and totally unacceptable.

We simply must take steps today to increase the amount of oil and natural gas we produce right here at home. It is estimated that, in total, the United States possesses as much as 160 billion barrels of oil and as many as 1,700 trillion cubic feet of natural gas. This is enough to fuel the U.S. economy for at least 60 years without importing a single drop of foreign oil. While shutting-off foreign oil completely may not be realistic, it is realistic to utilize our reserves much more than we do today.

Believe it or not, much of this oil and gas could be produced in areas where it is being produced today and has for decades that is not environmentally sensitive. That is why I have advocated for tax incentives that would make it economically feasible for production to continue and actually increase in areas largely where production takes place today. Much of this production is from so-called ''marginal'' wells, those wells that produce less than 15 barrels of oil and less than 90 thousand cubic feet of natural gas per day.

Many of these wells are so small that, once they close, they never reopen. There were close to 500,000 such wells across the U.S. Together, they have the capacity to produce 20 percent of America's oil. This is roughly the same amount of oil the U.S. imports from Saudi Arabia. During the oil price plummet over two years ago, more than a quarter of these wells closed, many of them for good.

The overwhelming majority of producing wells in Texas are marginal wells. A survey by the Independent Producers Association of America, IPAA, found that marginal wells account for 75 percent of all crude production for small independent operators; up to 50 percent for mid-sized independents; and up to 20 percent for large companies.

A more sensible energy independence policy would be to offer tax relief to producers of these smaller wells that would help them stay in business when prices fall below a break-even point. When U.S. producers can stay in business during periods of low prices, supply will be higher and help keep prices from shooting up too high.

My legislation provides a maximum $3 per barrel tax credit for the first 3 barrels of daily production from a marginal oil well, and a similar credit for marginal gas wells. The marginal oil well credit would be phased in-and-out in equal increments as prices for oil and natural gas fall and rise. For oil, it would phase in between $18 and $15 per barrel.

A counter-cyclical system such as this would help keep producers alive during the record low prices, so they can be producing during the record highs. This would gradually ease our dependence on overseas oil.

There's another benefit to encouraging marginal well production: it has a multiplier effect. In 1997, these low-volume wells generated $314 million in taxes paid annually to State governments. These revenues are sued for State and local schools, highways and other state-funded projects and services.

Another idea in my plan is to offer incentives to restart inactive wells by offering producers a tax exemption for the costs of doing so. This would ensure greater oil availability and also increase Federal and State tax revenues paid by oil producers and energy sector employees. Everyone wins. More jobs, more State and Federal revenue, and, most importantly, more domestic oil.

Studies and actual results have borne this out. In Texas, a program similar to this has met with considerable success. Over 6,000 wells have been returned to production, injecting approximately $1.65 billion into the Texas economy each year. We should try this nationwide.

We do not have to be at the whim of market forces beyond our control. The only way out, though, is to be part of the price setting process, rather than be price takers. To do that, we've got to increase our domestic supply. We have an excellent opportunity to unite around this bill, Democrats and Republicans, energy production and energy consumption States.

Marginal well tax incentive legislation is a positive, proactive approach that I believe can garner a majority of support in Congress and that will begin to reverse the slide toward greater and greater dependence on foreign oil.

By Mr. HATCH. (for himself, Mr. BREAUX, Mrs. LINCOLN, Mr. ALLARD, Mr. THOMPSON, and Mr. GRAHAM):

S. 1201. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce the Subchapter S Modernization Act of 2001. I am very pleased to be joined in this effort by Senators BREAUX, LINCOLN, THOMPSON, ALLARD, and GRAMM.

The bill we are introducing today is a continuation of a bipartisan effort that began in the Senate nearly a decade ago when former Senators Pryor and Danforth, along with myself and six other senators, introduced the S Corporation Reform Act of 1993. We recognized then, as the sponsors of today's bill do now, that S corporations are a vital and growing part of our economy and that our tax law should reflect the importance of these entities and provide tax rules that allow them to grow and compete with a minimum of complexity and a maximum of flexibility.

According to the Joint Committee on Taxation, there were nearly 2.6 million S corporations in the United States in 1998, up from about 500,000 in 1980. In fact, S corporations now outnumber both C corporations and partnerships. These are predominantly small businesses in the retail and service sectors. Over 92 percent of all S corporations in 1998 reported less than $1 million in assets. Many of these businesses, however, are growing rapidly. These are the kinds of businesses that make up ''Main Street USA.'' In my home state of Utah, over half the corporations have elected Subchapter S treatment.

Subchapter S of the Internal Revenue Code was enacted in 1958 to help remove tax considerations from small business owners' decisions to incorporate. This elective tax treatment has been helpful to millions of small businesses over the years, particularly to those just starting out. Subchapter S provides entrepreneurs the advantage of corporate protection from liability along with the single level of tax enjoyed by partnerships and limited liability companies.

However, Subchapter S as enacted and modified over the years contains a variety of limitations, restrictions, and pitfalls for the unwary. And, even though some very important improvements have been made over the years, including many first introduced in the 1993 S Corporation Reform Act I mentioned earlier, more needs to be done to bring the tax treatment of these important businesses into the 21st Century. This is what our bill today is all about.

A May 2001 study by the Federal Reserve Bank of Kansas City highlights the importance of small businesses to our economy and points out why Congress should do everything possible to make it easier for these entities to get started and grow. The study points out that more than 75 percent of the net new jobs created from 1990 to 1995 occurred in small firms, defined as those with fewer than 500 employees. Moreover, seven of the ten fastest growing industries have been dominated by small businesses in recent years, including the high technology sector, where small firms employ 38 percent of that industry's workers.

In the rural parts of America, the role of small enterprises is even more important. Small businesses account for 90 percent of all rural establishments. In 1998, small companies employed 60 percent of rural workers and provided half of rural payrolls.

What do these small businesses, especially those in small-town America, most need to grow, to thrive, and even to survive? According to the White House Conference on Small Business, two of the most important issue areas for these enterprises is easier access to capital and an easing of the tax burden. The bill we are introducing today addresses both of these vital issues.

Perhaps the biggest challenge facing all kinds of businesses, but especially smaller ones, is attracting adequate capital. Unfortunately, Subchapter S is currently a hindrance, rather than a help, for many corporations facing this challenge. For example, current law allows for only one class of stock for S corporations. Further, S corporations are not allowed currently to issue convertible debt. Nor are they allowed to have a non-resident alien as a shareholder. These restrictions all limit the ability of S corporations in attracting capital, which is very often the lifeblood of growing a business.

Several of the provisions of the Subchapter S Modernization Act are designed to alleviate these restrictions on the ways S corporations can attract capital. This will help make them more competitive with other small enterprises doing business in other forms, such as partnerships or limited liability companies, that do not face such barriers.

Even though electing Subchapter S currently offers much to a small corporation in the way of tax relief, principally because such an election eliminates the corporate level of taxation, S corporations still face some significant tax burdens in the way of potential pitfalls and tax traps for the unwary. Some of these impediments exist in the requirements of elective S corporation status, and others are in the rules governing the day-to-day operations of the

entities. In either case, these provisions stifle growth and impede job creation.

Most of the sections of the bill we introduce today are dedicated to eliminating many of these barriers and making it easier for companies to elect Subchapter S and to operate in this status once the election is made.

The Small Business Job Protection Act of 1996 made many important changes to Subchapter S. One of the most significant was the ability for small banks to elect to be S corporations for the first time. This opened the door for many small community banks to become more competitive with other financial institutions operating in their towns and neighborhoods. So far, more than 1,400 banks in the U.S. have made the election, which represents about 18 percent of the more than 8,000 community banks in the United States.

According to a survey taken earlier this year by the accounting firm Grant Thornton, 3 percent of the remaining community banks plan to elect Subchapter S status in 2001, and another 14 percent are considering the election after this year.

The availability of Subchapter S has been a positive development in increasing profitability and competitiveness of many community banks. However, two problems currently exist. The first is that current law includes several significant hurdles to many small banks in converting to S corporation status. These include restrictions on the types and number of shareholders allowed. The second problem is that some of the operating rules under Subchapter S are unduly inflexible, complex, and harsh.

The bill we introduce today attempts to address many of these challenges by easing the restrictions on the kinds of shareholders who can own S corporation stock and the number of shareholders allowed, as well as relaxing some of the operational rules. These changes are designed to make it significantly easier for community banks to take advantage of the benefits of Subchapter S.

Small businesses are key to the continued growth of our economy and to future job creation. The way I see it, it is the job of government to see that unnecessary restrictions and barriers to the success of these businesses are removed so that these small enterprises can attract capital and function with the maximum of efficiency.

Some would argue that S corporations are a relic of the past and that newer, more flexible forms of doing business, such as limited liability companies, are the business entities of the future. Such a view is a great distortion of reality. S corporations are a large and growing part of our economy. They have served a vital function in our communities for the past 43 years and will continue to do so. Our tax laws should be overhauled to streamline these rules and make them as flexible and easy to work in as possible.

The S Corporation Modernization Act enjoys the support of a broad range of associations and trade groups, many of which have worked with us in crafting the bill. I want to especially acknowledge the assistance of the American Institute of Certified Public Accountants, the Taxation Section of the American Bar Association, the Independent Bankers Association of America, and the Utah Bankers Association. These organizations contributed time and talent in making recommendations for many of the improvements in this bill.

I urge my colleagues to take a close look at this bill, and to support it. Thousands of small and growing businesses in every State will benefit from the improvements included therein. Its enactment will lead to an increased ability of these enterprises to attract capital, expand, and create new jobs.

I ask unanimous consent that a section-by-section description of the bill and a letter of support from a group of organizations that endorse it be printed in the RECORD.

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

SUPPORTERS OF S CORPORATION MODERNIZATION

DEAR SENATORS HATCH, BREAUX, LINCOLN, AND ALLARD: The undersigned organizations, speaking on behalf of many of America's small businesses, want to commend and thank you for sponsoring the S Corporation Modernization Act of 2001. This important legislation will improve capital formation opportunities for small businesses, preserve family-owned businesses, and eliminate unnecessary and unwarranted traps for taxpayers. We want to express our unqualified and enthusiastic support for the entire bill.

In 1958, Congress created S corporations to create an effective alternative business structure for private entrepreneurs. Under Subchapter S, if certain requirements and restrictions are met, a business can choose to operate in corporate form without being penalized with a second level of tax. Today, about 2.6 million S corporations operate in virtually every sector and in every State across America. These S corporations employ many Americans and hold over $1.45 trillion in business assets.

Though many of these businesses have been successful ventures, the qualifications and restrictions contained in the original Subchapter S rules were very limiting and complex. Over time, Congress has removed some of these restrictions and has made incremental changes to update and improve the Subchapter S rules. Congress last acted in 1996 to pass reforms to make S Corporation rules more compatible with modern-day business demands.

Unfortunately today, many of these companies are still burdened by obsolete rules, which stunt expansion, inhibit venture capital attraction, and otherwise impede these businesses from meeting the demands of the challenging global economy. As the domestic economy faces increasing challenges, such restrictions are particularly troubling. For S corporations, which have been a key element in America's economic growth, we can no longer afford to keep such antiquated restrictions in place.

Indeed, the need for any of these restrictions is highly doubtful. Over the last decade, all States (with supporting rulings from the IRS) have now enacted statutes creating limited liability companies (LLCs). LLCs operate like S corporations (with limited liability and subject to a single level of tax), but face none of the burdensome and unnecessary restrictions. As a result, new business enterprises are being formed at an accelerating rate under the LLC regime. The Subchapter S Modernization Act of 2001 will go a long way toward lifting these needless burdens on S corporations.

For these reasons, we agree with you that it is again time to revisit Subchapter S reform, and we look forward to working with you to enact the S Corporation Modernization Act of 2001. Thank you again for your championship of this important initiative.

Sincerely,

U.S. Chamber of Commerce; Employee-Owned S Corporations of America; S Corporation Association; National Cattleman's Beef Association; Associated General Contractors of America; National Association of Realtors; National Multi Housing Council; National Apartment Association; Small Business Survival Committee; Independent Insurance Agents of America; National Association of Manufacturers; Independent Community Bankers of America; American Bankers Association; Utah Bankers Association; Independent Bankers Association of Texas; Independent Bankers of Colorado; Maine Association of Community Banks; Independent Community Bankers of Minnesota; Community Bankers of Wisconsin; Community Bankers Association of Indiana; Community Bankers Association of Kansas; Bluegrass Bankers Association; The Community Bankers Association of Alabama; Independent Community Bankers of New Mexico; Iowa Independent Bankers; California Independent Bankers; Community Bankers Association of Illinois; Montana Independent Bankers; Missouri Independent Bankers Association; Nebraska Independent Community Bankers; Arkansas Community Bankers; Community Bankers Association of Georgia; Michigan Association of Community Bankers; Community Bankers of Louisiana; Independent Bankers Association of New York; Pennsylvania Association of Community Bankers; Independent Community Bankers of South Dakota; Independent Community Bankers of North Dakota; West Virginia Association of Community Bankers; Virginia Association of Community Banks; Community Bankers Association of Oklahoma; Community Bankers Association of New Hampshire.

SUBCHAPTER S MODERNIZATION ACT OF 2001—SECTION-BY-SECTION DESCRIPTION

The Subchapter S Modernization Act of 2001 includes the following provisions to help improve capital formation opportunities for small business, preserve family-owned businesses, and eliminate unnecessary and unwarranted traps for taxpayers.

TITLE I—ELIGIBLE SHAREHOLDERS OF AN S CORPORATION

Section 101. Members of family treated as 1 shareholders

The Act provides for an election to count family members that are not more than six generations removed from a common ancestor as one shareholder for purposes of the number of shareholder limitation (currently 75 shareholders). The election requires the consent of a majority of all shareholders. The provision helps family-owned S corporations plan for the future without fear of termination of their S corporation elections.

Section 102. Nonresident aliens allowed to be shareholders

The Act would permit nonresident aliens to be S corporation shareholders. To assure collection of the appropriate amount of tax, the Act requires the S corporation to withhold and pay a tax on effectively connected income allocable to its nonresident alien shareholders. The provision enhances an S corporation's ability to expand into international markets and expands an S corporation's access to capital.

Section 103. Expansion of bank S corporation eligible shareholders to include IRAs

The Act permits Individual Retirement Accounts (IRAs) to hold stock in a bank that is a S corporation. Additionally, the Act would exempt the sale of bank S corporation stock in an IRA from the prohibited transaction rules. Currently, IRAs own community bank stock, which results in a significant obstacle to banks that want to make an S election. The provision allows an IRA to own bank S stock, and thus, avoids transactions to buy back stock, which drains the bank's resources.

Section 104. Increase in number of eligible shareholders to 150

Currently a corporation is not eligible to be an S corporation if it has more than 75 shareholders. The Act increases the number of permitted shareholders to 150. The provision will enable S corporation to raise more capital and plan for the future without endangering their S corporation status.

TITLE II—QUALIFICATION AND ELIGIBILITY REQUIREMENTS OF S CORPORATIONS

Section 201. Issuance of preferred stock permitted

The Act would permit S corporations to issue qualified preferred stock (''QPS''). QPS generally would be stock that (i) is not entitled to vote, (ii) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent, and (iii) has redemption and liquidation rights which do not exceed the issue price of such stock (except for a reasonable redemption or liquidation premium). Stock would not fail to be treated as QPS merely because it is convertible into other stock. This provision increases access to capital from investors who insist on having a preferential return and facilitates family succession by permitting the older generation of shareholders to relinquish control of the corporation but maintain an equity interest.

Section 202. Safe harbor expanded to include convertible debt

The Act permits S corporations to issue debt that may be converted into stock of the corporation provided that the terms of the debt are substantially the same as the terms that could have been obtained from an unrelated party. The Act also expands the current law safe-harbor debt provision to permit nonresident alien individuals as creditors. The provision facilitates the raising of investment capital.

Section 203. Repeal of excessive passive investment income as a termination event

The Act would repeal the rule that an S corporation would lose its S corporation status if it has excess passive income for three consecutive years. A corporate-level ''sting'' (or double) tax would still apply, as modified in Section 204 below, to excess passive income.

Section 204. Modifications to passive income rules

The Act would increase the threshold for taxing excess passive income from 25 percent to 60 percent (consistent with a Joint Tax Committee recommendation on simplification measures). In addition, the Act removes gains from the sales or exchanges of stock or securities from the definition of passive investment income for purposes of the sting tax.

Section 205. Stock basis adjustment for certain charitable contributions

Current rules discourage charitable gifts of appreciated property by S corporations. The Act would remedy this problem by providing for an increase in the basis of shareholders' stock in an amount equal to excess of the value of the contributed property over the basis of the property contributed. This provision conforms the S corporation rules to those applicable to charitable contributions by partnerships.

TITLE III—TREATMENT OF S CORPORATION SHAREHOLDERS

Section 301. Treatment of losses to shareholders

In the case of a liquidation of an S corporation, current law can result in double taxation because of a mismatch of ordinary income (realized at the corporate level and passed through to the shareholder) and a capital loss (recognized at the shareholder level on the liquidating distribution). Although careful tax planning can avoid this result, many S corporations do not have the benefit of sophisticated tax advice. The Act eliminates this potential trap by providing that any portion of any loss recognized by an S corporation shareholder on amounts received by the shareholder in a distribution in complete liquidation of the S corporation would be treated as an ordinary loss to the extent of the shareholder's ''ordinary income basis'' in the S corporation stock.

Section 302. Transfer of suspended losses incident to divorce

The Act allows for the transfer of a pro rata portion of the suspended losses when S corporation stock is transferred, in whole or in part, incident to divorce. Under current IRS regulations, any suspended losses or deductions are personal to the shareholder and cannot, in any manner, be transferred to another person. Accordingly, if a shareholder transfers all of his or her stock in an S corporation to his or her former spouse as a result of divorce, any suspended losses or deductions with respect to such stock are permanently disallowed. This result is inequitable and unduly harsh, and needlessly complicates property settlement negotiations.

Section 303. Use of passive activity loss and at-risk amount by qualified subchapter S trust income beneficiaries

The Act clarifies that, if a QSST transfers its entire interest in S corporation stock to an unrelated party in a fully taxable transaction, the income beneficiary's suspended losses from S corporation activity under the passive activity loss rules would be freed up for use by the income beneficiary. The Act further provides that the income beneficiary's at-risk amount with respect to S activity would be increased by the amount of gain recognized by the QSST on a disposition of S stock. These provisions clarify a troublesome area under current law, and so, eliminate traps for the unwary taxpayer.

Section 304. Deductibility of interest expense incurred by an electing small business trust to acquire S corporation stock

The Act provides that interest expense incurred by an ESBT to acquire S corporation stock is deductible by the S portion of the trust. Recently issued proposed regulations would provide that interest expense incurred by an ESBT to acquire stock in an S corporation is allocable to the S portion of the trust, but is not deductible. This result is contrary to the treatment of other taxpayers, who are entitled to deduct interest incurred to acquire an interest in a pass through entity. Further, Congress never intended to place ESBTs at a disadvantage relative to other taxpayers.

Section 305. Disregard of unexercised powers of appointments in determining potential current beneficiaries of ESBT

The Act revises the definition of a ''potential current beneficiary'' in the context of the ESBT eligibility rules by providing that powers of appointment should only be evaluated when the power is actually exercised. Current law provides that postponed or non-exercisable powers will not interfere with the making of an ESBT election. However, proposed regulations provide that, once such powers become exercisable, the S election will automatically terminate if the power could potentially be exercised in favor of an ineligible individual—whether it was actually exercised in favor of the ineligible individual or not. The application of this rule would prevent many family trusts from qualifying as ESBTs.

The Act expands the existing method to cure a potential current beneficiary problem. Under the Act, an ESBT will have a period of up to one year (currently 60 days) to either dispose of all of its S stock or otherwise cause the ineligible potential current beneficiary's position in the trust to be eliminated without causing the ESBT election or the corporation's S election to fail.

Section 306. Clarification of electing small business trust distribution rules

The Act clarifies that, with regard to ESBT distributions, separate share treatment applies to the S and non-S portions under section 641(c).

Section 307. Allowance of charitable contributions deduction for electing small business trusts

The Act permits a deduction for charitable contributions made by an ESBT, while taxing the charity on its share of the S corporation's income as unrelated business taxable income. Current law discourages charitable contributions by S corporation shareholders by preventing an ESBT from claiming a charitable contribution deduction. The Act encourages philanthropy by permitting a charitable deduction while at the same time effectively taxing the S corporation's income in the hands of the recipient charity to the extent of the deduction.

Section 308. Shareholder basis not increased by income derived from cancellation of S corporation's debt

The Act provides that cancellation of indebtedness (COD) income excluded from the gross income of an S corporation, i.e., due to the S corporation's insolvency, does not increase shareholder's basis in S corporation stock. The Act changes the result reached in the recent U.S. Supreme Court decision in Gitlitz v. Comm'r (2000).

Section 309. Back-to-back loans as indebtedness.

The Act clarifies that a back-to-back loan (a loan made to an S corporation shareholder who in turn loans those funds to his S corporation) constitutes ''indebtedness of the S corporation to the shareholder'' so as to increase such shareholder's basis in the S corporation. The provision would help many shareholders avoid inequitable pitfalls encountered where a loan to an S corporation is not properly structured, even though the shareholder has clearly made an economic outlay with respect to his investment in the S corporation for which a basis increase is appropriate.

TITLE IV—EXPANSION OF S CORPORATION ELIGIBILITY FOR BANKS

Section 401. Exclusion of investment securities income from passive income test for bank S corporations

The Act clarifies that interest and dividends on investments maintained by a bank for liquidity and safety and soundness purposes shall not be ''passive'' income. By treating all bank income as earned from the active and regular conduct of a banking business, banks will no longer face the conundrum of evaluating investment decisions based on tax considerations rather than on more important safety and economic soundness issues.

Section 402. Treatment of qualifying director shares

The Act clarifies that qualifying director shares of bank are not to be treated as a second class of stock. Instead, the qualifying director shares are treated as a liability of the bank and no increase or loss from the S corporation will be allocated to these qualifying director shares. The provision clarifies the law and removes a significant obstacle unique among banks contemplating a S corporation election.

Section 403. Bad debt charge offs in years after election year treated as items of built-in loss

The Act permits bank S corporations to recapture up to 100 percent of their bad debt reserves on their first S corporation tax return and/or their last C corporation income tax return prior to the effective date of the S election. Banks that convert to S corporation status must change from the reserve method of accounting to the specific charge off method. The resulting recapture income is treated as built-in gain subject to tax at both the shareholder and the corporate level. The Act allows banks to accelerate the recapture of bad debt reserve to their last C corporation tax year. The corporate level tax would still be paid on the recapture income, but the recapture would no longer trigger a tax for the bank's shareholders.

TITLE V—QUALIFIED SUBCHAPTER S SUBSIDIARIES

Section 501. Relief from inadvertently invalid qualified subchapter S subsidiary elections and terminations

The Act provides statutory authority for the Secretary to grant relief for invalid QSub elections, and terminations of QSub status, if the Secretary determines that the circumstances resulting in such ineffectiveness or termination were inadvertent. This would allow the IRS to provide relief in appropriate cases, just as it currently does in the case of invalid or terminated S corporation elections.

Section 502. Information returns for qualified subchapter S subsidiaries

The Act would help clarify that a Qualified Subchapter S Subsidiary (QSSS) can provide information returns under their own tax ID number to help avoid confusion by employers, depositors, and other parties.

Section 503. Treatment of the sale of interest in a qualified subchapter S subsidiary

The Act treats the disposition of QSub stock as a sale of the undivided interest in the QSub's assets based on the underlying percentage of stock transferred followed by a deemed contribution by the S corporation and the acquiring party in a nontaxable transaction. Under current law, an S corporation may be required to recognize 100 percent of the gain inherent in a QSub's assets if it sells as little as 21 percent of the QSub's stock. IRS regulations suggest this result can be avoided by merging the QSub into a single member LLC prior to the sale, then selling an interest in the LLC (as opposed to stock in the QSub). The Act achieves this result without any unnecessary merger and thus removes a trap for the unwary.

Section 504. Exception to application of step transaction doctrine for restructuring in connection with making qualified subchapter S subsidiary elections

The Act provides that the step transaction doctrine does not apply to the deemed liquidation resulting from QSub elections. Application of the step transaction doctrine, in the context of making a QSub election, introduces complexity and uncertainty in what should be a simple matter. The doctrine requires knowledge of decades of jurisprudence and administrative interpretations, and poses an unnecessary trap for the unwary.

TITLE VI—ADDITIONAL PROVISIONS

Section 601. Elimination of all earnings and profits attributable to pre-1983 years

The Small Business Job Protection Act of 1996 eliminated certain pre-1983 earnings and profits of S corporations that had S corporation status for their first tax year beginning after December 31, 1996. The provision should apply to all corporations © and S) with pre-1983 S earnings and profits without regard to when they elect S status. There seems to be no policy reason why the elimination was restricted to corporations with an S election in effect for their first taxable year beginning after December 31, 1996.

Section 602. No gain or loss on deferred intercompany transactions because of conversion to S corporation or qualified S corporation subsidiary

The Act makes clear that any gain or income from an intercompany transaction is not taxed at the time of the S corporation or QSub elections.

Section 603. Treatment of charitable contribution and foreign tax credit carryforwards

The Act provides that charitable contribution carryforwards and other carryforwards arising from a taxable year for which the corporation was a C corporation shall be allowed as a deduction against the net recognized built-in gain of the corporation for the taxable year. This provision is consistent with the legislative history of the 1986 Act.

Section 604. Distribution by an S corporation to an employee stock ownership plan

An ESOP will usually borrow from the sponsoring corporation to fund its acquisition of employer securities. In the case of a C corporation, the tax code provides that an ESOP will not be treated as engaging in a ''prohibited transaction'' if it uses any ''dividend'' on employer securities purchased with loan proceeds to make payments on the loan regardless of whether such employer securities have been pledged as collateral to secure the loan. The policy facilitates the payment of ESOP loans and thereby promotes employee ownership. Because S corporation distributions are technically not ''dividends'', the Act provides that S corporation distributions are treated as dividends. This clarification is necessary to ensure that the policy of facilitating the payment of ESOP loans applies equally to S corporation and C corporation ESOPs.

Mr. BREAUX. Mr. President, I am pleased to introduce with my colleagues, Senators HATCH, LINCOLN, and THOMPSON, the Subchapter S Modernization Act of 2001. This bill is very important to the 2.6 million S Corporations in this country and to the thousands of S Corporations in my own State of Louisiana.

The Small Business Administration estimates that small businesses account for seventy-five percent of the employment growth in the United Sates and are the major creators of new jobs. Small businesses employ 52 percent of all private workers and provide 51 percent of the output in the private sector. They have been, in large part, the engine that fuels our economy.

S Corporations make up a large number of the Nation's small businesses. In fact, the Joint Committee on Taxation estimates that over ninety-two percent of all S Corporations report less than $1 million in assets. They operate in every sector of the economy, employ millions of Americans and hold over $1.45 trillion in business assets. As such, anything we can do the help S Corporations will help the economy. The Subchapter S Modernization Act does this by encouraging S Corporations to expand, allowing S Corporations to attract more capital, and removing tax traps for the unwary.

The legislation expands the list of eligible shareholders to non-resident aliens and some Individual Retirement Accounts held by banks. The bill also permits families to be treated as one shareholder, which not only expands the size of S corporations, but also helps keep family businesses together. In additional, the bill increases the number of permitted shareholders to 150 from the current law limit of 75.

All of these important provisions also give S Corporations greater flexibility in attracting new sources of investment and capital. By permitting S Corporations to issue preferred stock, the Subchapter S Modernization Act increases access to capital from investors, such as venture capitalists, who insist on a preferential return. This provision also facilitates family ownership by allowing older generations to relinquish control of the corporation to later generations while maintaining an equity interest in the company.

Lastly, the bill removes many complex tax traps and clarifies the law regarding many provisions enacted in 1996. Per the Joint Committee on Taxation's recommendation in its simplification report, our bill repeals the excessive passive investment income rule as a termination event for S corporations and increases the threshold for taxing excess passive investment income from 25 percent to 60 percent. Capital gains are excluded from the definition of passive income. The rules for taxing Electing Small Business Trusts and managing Qualified Subchapter S Subsidiaries are simplified in many ways, thus reducing the possibility that companies will inadvertently terminate their S corporation election.

I urge my colleagues to support this bill.

Mrs. LINCOLN. Mr. President, today my colleagues and I are introducing legislation which is critically important to millions of small and family-owned businesses across this Nation. The Subchapter S Modernization Act of

2001 is the culmination of months of hard work by Senators HATCH, BREAUX and me. We have worked to bring new ideas together with known and necessary S corporation reforms into a comprehensive piece of legislation which will help improve capital formation opportunities for small businesses, will help preserve family-owned businesses, and will eliminate unnecessary and unwarranted traps for well-intentioned taxpayers.

Small businesses are the backbone of commerce in my home State of Arkansas. There are between sixteen and seventeen thousand small businesses formed as S corporations in Arkansas and over 2.58 million nationwide. According to the Joint Committee on Taxation, over ninety-two percent of these companies have assets totaling less than one million dollars and a majority are in the retail trade and service sectors. These are truly your mom and pop stores and businesses, and I am proud to be working on their behalf.

This bill represents not just the hard work of the principal sponsors but also of several of my colleagues past and present. I would like, in the short time that I have, to acknowledge the past efforts of former Senators Pryor and Danforth, who represented small business S corporations so well and who helped develop many of the provisions we have included in the Subchapter S Modernization Act of 2001. I would also like to recognize Senator ALLARD, who has joined in sponsoring this legislation, and who has been a lead proponent of S corporation reforms which would allow small financial institutions to benefit from Subchapter S. And, of course, I would like to thank Senators THOMPSON, GRAMM, and THOMAS who have joined Senator HATCH, BREAUX, and me as original sponsors of what I believe is very good legislation for hard working men and women across this Nation.

By Mr. BENNETT:

S. 1205. A bill to adjust the boundaries of the Mount Nebo Wilderness Area, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Mr. President, I rise today to introduce the Mount Nebo Wilderness Boundary Adjustment Act. This legislation is intended to correct several small boundary issues that have frustrated Juab County and its residents' attempts to maintain their sources of water.

Mount Nebo, located in Juab County, UT, is an 11,929 foot peak in the Wasatch Mountains. The surrounding area is home to bighorn sheep, spectacular views of the Great Basin, primitive recreation, and the source of water for many who live and farm around the towns of Nephi and Mona, UT. Due to the wilderness characteristics of the lands including and surrounding Mount Nebo, Congress designated the 28,000 acre Mount Nebo Wilderness as part of the Utah Wilderness Act of 1984. While the United States Forest Service was drawing the maps of the newly designated Mount Nebo Wilderness, nine areas were improperly included in the wilderness boundaries that contained springs, pipelines, and other water structures which provide water to the residents of Juab County.

Water in the west is truly the lifeblood of the region. Without water, our towns and cities, both large and small, would dry up and blow away. Equally important is the ability to maintain springs, pipelines, and other structures that allow water to be put to beneficial use. The water that flows from the Mount Nebo Wilderness provides irrigation for Juab County farmers, is part of the Nephi City culinary water system, and provides water directly to a number of residents who live in close proximity to the wilderness. It should be noted that the water rights for some of these springs were granted as early as 1855 and have been providing water ever since. These pipelines and water structures are old and need constant maintenance. Wilderness prohibitions do not provide the flexibility needed by the county to maintain its water sources.

This legislation would redraw the boundaries of the wilderness area to allow motorized access for the county and other affected users in order to maintain existing water structures. Because this boundary adjustment will result in the removal of lands from the Mount Nebo Wilderness, the county has identified existing USFS land adjacent to the wilderness to serve as replacement acreage which will result in a net gain of 14 acres of wilderness. I believe this is legislation that benefits all parties. The Forest Service will have a wilderness area with fewer access issues and the counties will be able to maintain their critical water sources.

I am offering a simple piece of legislation that will solve a longstanding problem for one of Utah's counties. I would greatly appreciate Senator BINGAMAN's help in moving this bill through his committee as soon as possible.

By Mr. VOINOVICH (for himself, Mr. INHOFE, Mr. FRIST, and Mr. MCCONNELL):

S. 1206. A bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; to the Committee on Environment and Public Works.

Mr. VOINOVICH. Mr. President, I rise today, joined by my colleagues, Senator BILL FRIST, Senator JAMES INHOFE, and Senator MITCH MCCONNELL, to introduce the Appalachian Regional Development Act Amendments of 2001. Once enacted, our bill will reauthorize the Appalachian Regional Commission, ARC and create a specific initiative to help bridge the ''digital divide'' between Appalachia and the rest of our nation.

One of the honors that I have as a United States Senator is to serve as a member of the Subcommittee on Transportation and Infrastructure of the Environment and Public Works Committee. One of the reasons I am pleased to be on this subcommittee is the fact that it has oversight jurisdiction over the ARC. As a Senator who represents one of the thirteen States within the ARC, my membership on this subcommittee gives me a great opportunity to focus on issues of direct importance to this region of our Nation.

In 1965, Congress established the ARC to help bring the Appalachian region of our Nation into the mainstream of the American economy. This region includes 406 counties in 13 States, including Ohio, and has a population of about 22 million people.

The ARC is composed of the governors of the 13 Appalachian states and a Federal representative who is appointed by the President. The Federal representative serves as the Federal Co-Chairman with the governors electing one of their number to serve as the States' Co-Chairman. As a unique partnership between the Federal Government and these 13 States, the ARC runs programs in a wide range of activities, including highway construction, education and training, health care, housing, enterprise development, export promotion, telecommunications and technology, and water and sewer infrastructure. All of these activities help achieve a goal of a viable and self-sustaining regional economy.

ARC's programs fall into two broad categories. The first is a 3,025-mile corridor highway system to break the regional isolation created by mountainous terrain, thereby linking the Appalachian communities to national and international markets. Roughly 80 percent of the Appalachian Development Highway System is either completed or under construction.

The second is an area development program to create a basis for sustained local economic growth. Ranging from water and sewer infrastructure to worker training to business financing and community leadership development, these projects provide Appalachian communities with the critical building blocks for future growth and development. The sweeping range of options allows governors and local officials to tailor the federal assistance to their individual needs.

The ARC currently ranks all of the 406 counties in the Appalachian region, including the 29 counties in Ohio that are covered by the ARC, according to four categories: distressed, transitional, competitive, and attainment. These categories determine the extent for potential ARC support for specific projects. They also help ensure that support goes to the areas with the greatest need. Distressed countries are the most ''at-risk,'' with unemployment at least 150 percent of the national average, a poverty rate of at least 150 percent of the national average, and a per capita market income of

no more than two-thirds of the national average. Generally, this means that a distressed county has an unemployment rate of greater than 7.4 percent, a poverty rate of at least 19.7 percent, and a per capita income of less than $14,164. In fiscal year 2001, 114 counties, or roughly one-fourth of the counties in the ARC, have been classified as distressed. Ten of these counties are in Ohio.

In order to undertake a wide variety of projects to help improve the region's economy, the ARC uses the Federal dollars it receives to leverage additional State and local funding. This successful partnership enables communities in Ohio and throughout Appalachia to have programs which help them to respond to a variety of grassroots needs. In Ohio, ARC funds support projects in five goal areas: skills and knowledge, physical infrastructure, community capacity, dynamic local economies, and health care. In rough figures, every ARC dollar Ohio received in fiscal year 2000 leveraged approximately $2.60 in additional federal, state and local funds. In fiscal year 2000, ARC provided approximately $4.7 million to fund non-highway projects in Ohio.

As my colleagues are aware, the current authorization of the ARC will soon expire. In anticipation of the need for reauthorization legislation, I have been working since last year on putting together a bill that focuses on the issues that the ARC needs to address in the early part of the 21st century. One of the more productive activities I did in preparation for reauthorization was to conduct a Transportation and Infrastructure Subcommittee field hearing on the ARC at the Opera House in Nelsonville, OH, in August 2000. Following the hearing, I had the opportunity to tour the region to witness first-hand the beneficial impact of ARC-funded projects in the community.

My objectives for both the field hearing and the tour were to obtain an overview of the importance of ARC programs to Appalachia, to closely examine the progress that has been made with respect to the implementation of these programs, and to identify the challenges that still must be overcome for the region to fully participate in our Nation's economy. Along with the poignant visual impact of my tour, the testimony I received from the impressive array of witnesses at this hearing provided valuable input that has been very helpful in drafting this legislation.

Our legislation, the Appalachian Regional Development Act Amendments of 2001, would allow the ARC to continue its important work for the people of Appalachia. One of the most innovative aspects of our bill would establish a Telecommunications and Technology Initiative that would focus on providing training in new technologies; assisting local governments, businesses, schools, and hospitals in developing e-commerce networks; and creating more jobs and business opportunities though access to telecommunications infrastructure.

E-commerce is one of the largest factors driving our economy and any business that wants to successfully compete in today's technological revolution must have access to the Internet. By establishing a specific initiative under the ARC to help the people of Appalachia connect with today's technology, we are also helping Appalachian communities achieve the same quality of life that is available to the rest of the Nation.

The bill also would increase the percentage of ARC funds required to be spent on activities or projects that benefit distressed counties or area. Right now, the requirement is set at 30 percent, and under our bill, it would increase to 50 percent. An analysis of fiscal year 1999 and 2000 shows that the ARC already spends about half of its project funding on grants to Appalachia's poorest counties, therefore this provision simply codifies current practice.

In addition, the bill would establish the ARC as the lead Federal agency in coordinating the economic development programs carried out by Federal agencies in the region through the establishment of an Interagency Coordinating Council on Appalachia. The Council would be established by the President and its membership composed of representatives of the Federal agencies that carry out economic development programs in the region.

The bill also would change the non-federal match requirement for administrative grants to the region's Local Development Districts from 50 percent to 25 percent for those Local Development Districts which include all or part of at least one distressed county. Local Development Districts are multi-county economic development planning agencies that work with local governments, non-profit organizations, and the private sector to determine local economic development needs and provide professional guidance for local economic development strategies. There are 71 Local Development Districts working with ARC in Appalachia.

Additionally, the bill would authorize annual appropriations for the ARC for five years, beginning with $83 million in fiscal year 2002 and increasing by $3 million in each of fiscal years 2003 through 2006. Of the authorized amount, $10 million would be earmarked each fiscal year for the Telecommunications and Technology Initiative.

For more than 35 years, the ARC has had a dramatic impact on the lives of the men and women who live in the Appalachian region of our Nation, helping to cut the region's poverty rate in half, lowering the infant mortality rate by two-thirds, doubling the percentage of high school graduates to where it is now slightly above the national average, slowing the region's out-migration, reducing unemployment rates, and narrowing the per capita income gap between Appalachia and the rest of the United States.

Despite its successes to date, the ARC has not completed its mission in Appalachia. I know that there is a vast reserve of potential in Appalachia that is just waiting to be tapped, and I wholeheartedly agree with one of ARC's guiding principles that the most valuable investment that can be made in a region is in its people.

The ARC is the type of Federal initiative that we should be encouraging. I urge my colleagues to join me in cosponsoring this legislation, and I urge its speedy consideration by the Senate.

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. 1206

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 ''Appalachian Regional Development Act Amendments of 2001''.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunication and technology services necessary to compete in the knowledge-based economy of the United States.

SEC. 3. FUNCTIONS OF THE COMMISSION.

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting '', and support,'' after ''formation of'';

(2) in paragraph (7), by striking ''and'' at the end;

(3) in paragraph (8), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(9) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.''.

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''(a) IN GENERAL.—The President''; and

(2) by adding at the end the following:

''(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

''(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the 'Interagency Coordinating Council on Appalachia'.

''(2) MEMBERSHIP.—The Council shall be composed of—

''(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

''(B) representatives of Federal agencies that carry out economic development programs in the region.''.

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following:

''SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

''(a) IN GENERAL.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

''(2) to provide education and training in the use of telecommunications and technology;

''(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

''(4) to support entrepreneurial opportunities for businesses in the information technology sector.

''(b) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 6. PROGRAM DEVELOPMENT CRITERIA.

(a) ELIMINATION OF GROWTH CENTER CRITERIA.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''in an area determined by the State have a significant potential for growth or''.

(b) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For each fiscal year, not less than 50 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.''.

SEC. 7. GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS.

Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting ''(or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226)'' after ''such expenses''.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

''SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

''(1) $83,000,000 for fiscal year 2002;

''(2) $86,000,000 for fiscal year 2003;

''(3) $89,000,000 for fiscal year 2004;

''(4) $92,000,000 for fiscal year 2005; and

''(5) $95,000,000 for fiscal year 2006.

''(b) TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.—Of the amounts made available under subsection (a), $10,000,000 for each fiscal year shall be made available to carry out section 203.

''(c) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.''.

SEC. 9. TERMINATION.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''2001'' and inserting ''2006''.

SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking ''implementing investment program'' and inserting ''strategy statement''.

(b) Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''expiring no later than September 30, 2001''.

(c) Sections 202, 214, and 302(a)(1)(C) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking ''grant-in-aid programs'' each place it appears and inserting ''grant programs''.

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by striking ''title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282),'' and inserting ''title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.),''.

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949,'' and inserting ''section 221 of the National Housing Act (12 U.S.C. 1715*l*), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),''.

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''GRANT-IN-AID'' and inserting ''GRANT'';

(2) in subsection (a)—

(A) by striking ''grant-in-aid Act'' each place it appears and inserting ''Act'';

(B) in the first sentence, by striking ''grant-in-aid Acts'' and inserting ''Acts'';

(C) by striking ''grant-in-aid program'' each place it appears and inserting ''grant program''; and

(D) by striking the third sentence;

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

''(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

''(1) IN GENERAL.—In this section, the term 'Federal grant program' means any Federal grant program authorized by this Act or any other Act that provides assistance for—

''(A) the acquisition or development of land;

''(B) the construction or equipment of facilities; or

''(C) any other community or economic development or economic adjustment activity.

''(2) INCLUSIONS.—In this section, the term 'Federal grant program' includes a Federal grant program such as a Federal grant program authorized by—

''(A) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.);

''(B) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.);

''(D) the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.);

''(E) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(F) title VI of the Public Health Service Act (42 U.S.C. 291 et seq.);

''(G) sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149);

''(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

''(I) part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).

''(3) EXCLUSIONS.—In this section, the term 'Federal grant program' does not include—

''(A) the program for construction of the Appalachian development highway system authorized by section 201;

''(B) any program relating to highway or road construction authorized by title 23, United States Code; or

''(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.''; and

(4) by striking subsection (d).

(g) Section 224(a)(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''relative per capita income'' and inserting ''per capita market income''.

(h) Section 225 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)—

(1) in subsection (a)(3), by striking ''development program'' and inserting ''development strategies''; and

(2) in subsection (c)(2), by striking ''development programs'' and inserting ''development strategies''.

(i) Section 303 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''INVESTMENT PROGRAMS'' and inserting ''STRATEGY STATEMENTS'';

(2) in the first sentence, by striking ''implementing investments programs'' and inserting ''strategy statements''; and

(3) by striking ''implementing investment program'' each place it appears and inserting ''strategy statement''.

(j) Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the next-to-last undesignated paragraph, by striking ''Committee on Public Works and Transportation'' and inserting ''Committee on Transportation and Infrastructure''; and

(2) by striking the last undesignated paragraph.

By Mr. DOMENICI:

S. 1207. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Albuquerque, New Mexico, metropolitan area; to the Committee on Veterans' Affairs.

Mr. DOMENICI. Mr. President, it is with great pleasure and honor that I

rise today to introduce a bill to create a National Veterans Cemetery in Albuquerque, NM.

The men and women who have served in the United States Armed Forces have made immeasurable sacrifices to this great Nation. Veterans have secured liberty for citizens of the United States since time and immemorial. Their sacrifices and those of their families must not be forgotten.

These veterans deserve to be buried in a National Cemetery with their fellow comrades. However, the Santa Fe National Cemetery, which serves the Northern two thirds of New Mexico, is rapidly approaching maximum capacity.

Some years ago, the Senate passed my legislation to extend the useful life of the Santa Fe National Cemetery by authorizing the use of flat grave markers. However, that legislation was a temporary measure, rather than a solution since the Cemetery will lack sufficient plot space by 2008. The solution that I am seeking is to designate a new National Cemetery in Albuquerque, NM.

I believe all New Mexicans are proud of the Santa Fe National Cemetery. Since its humble beginnings, it has grown from 39/100 of an acre to its current 77 acres.

The cemetery first opened in 1868 and was designated a National Cemetery in April of 1875. Service men and women from all of our Nation's wars hold an honored spot within its hallowed ground.

With that proud history in mind, we must find another suitable site to serve as the last resting place for New Mexico's veterans.

I would like to thank Congresswoman HEATHER WILSON for bringing this important issue to my attention, and for introducing companion legislation earlier this year.

The need to begin planning soon cannot be overstated. Half of New Mexico's 180,000 veterans live in the Albuquerque/Santa Fe area. Interment rates continue to rise with the passing of our older veterans and will peak in 2008.

Therefore, I am introducing legislation today to create a National Veterans Cemetery in Albuquerque, NM.

The bill simply directs the Secretary of Veterans Affairs to establish a National Cemetery in the Albuquerque metropolitan area and to submit a report to Congress setting forth a schedule for establishing the Cemetery.

In conclusion I would 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. 1207

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

SECTION 1. ESTABLISHMENT OF NATIONAL CEMETERY.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, a national cemetery in the Albuquerque, New Mexico, metropolitan area to serve the needs of veterans and their families.

(b) REPORT.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report that sets forth a schedule for the establishment of the national cemetery under subsection (a) and an estimate of the costs associated with the establishment of the national cemetery.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Mr. LIEBERMAN, Mr. DURBIN, Ms. LANDRIEU, Mrs. CLINTON, and Mr. SCHUMER):

S. 1208. A bill to combat the trafficking, distribution, and abuse of Ecstasy (and other club drugs) in the United States; to the Committee on the Judiciary.

Mr. GRAHAM. Mr. President, I rise today, along with my colleagues, Senators GRASSLEY, LIEBERMAN, DURBIN, LANDRIEU, and CLINTON, to introduce the Ecstasy Prevention Act of 2001; legislation to combat the recent rise in trafficking, distribution and violence associated with MDMA, a club drug commonly known as Ecstasy. Ecstasy has become the ''feel good'' drug of choice among many of our young people, and drug pushers are marketing it as a ''friendly'' drug to mostly teenagers and young adults.

Last year I sponsored and Congress passed legislation which drew attention to the dangers of Ecstasy and strengthened the penalties attached to trafficking in Ecstasy and other ''club drugs.'' Since then, Ecstasy use and trafficking continue to grow at epidemic proportions, and there are many accounts of deaths and permanent damage to the health of those who use Ecstasy. The U.S. Customs Service continues to report large increases in Ecstasy seizures, over 9 million pills were seized by Customs last year, a dramatic rise from the 400,000 seized in 1997. According to the United States Customs Service, in Fiscal Year 2001, two individual seizures affected by Customs Inspectors in Miami, FL totaled approximately 422,000 ecstasy tablets. These two seizures alone exceeded the entire amount of ecstasy seized by the Customs Service in all of Fiscal Year 1997. The Deputy Director of Office of National Drug Control Policy, ONDCP, Dr. Donald Vereen, Jr., M.D., M.P.H., recently said that ''Ecstasy is one of the most problematic drugs that has emerged in recent years.'' The National Drug Intelligence Center, in its most recent publication ''Threat Assessment 2001,'' has noted that ''no drug in the Other Dangerous Drugs Category represents a more immediate threat than MDMA'' or Ecstasy.

The Office of National Drug Control Policy's Year 2000 Annual Report on the National Drug Control Strategy clearly states that the use of Ecstasy is on the rise in the United States, particularly among teenagers and young professionals. My State of Florida has been particularly hard hit by this plague, but so have the States of many of my colleagues here. Ecstasy is customarily sold and consumed at ''raves,'' which are semi-clandestine, all-night parties and concerts. Numerous data also reflect the increasing availability of ecstasy in metropolitan centers and suburban communities. In the most recent release of Pulse Check: Trends in Drug Abuse Mid-year 2000, which featured MDMA and club drugs, it was reported that the sale and use of club drugs have expanded from raves and nightclubs to high schools, streets, neighborhoods and other open venues.

Not only has the use of Ecstasy exploded, more than doubling among 12th graders in the last two years, but it has also spread well beyond its origin as a party drug for affluent white suburban teenagers to virtually every ethnic and class group, and from big cities like New York and Los Angeles to rural Vermont and South Dakota.

And now, this year, law enforcement officials say they are seeing another worrisome development, increasingly violent turf wars among Ecstasy dealers, and some of those dealers are our young people. Homicides linked to Ecstasy dealing have occurred in recent months in Norfolk, VA; Elgin, IL, near Chicago; and in Valley Stream, NY. Police suspect Ecstasy in other murders in the suburbs, of Washington, DC, and Los Angeles, and violence is being linked to Israeli drug dealers in Los Angeles and to organized crime in New York City. Ecstasy is also becoming widely available on the Internet. Last year, a man arrested in Orlando, FL, had been selling Ecstasy to customers in New York.

The lucrative nature of Ecstasy encourages its importation. Production costs are as low as two to twenty-five cents per dose while retail prices in the U.S. range from twenty dollars to $45 per dose. Manufactured mostly in Europe, in nations such as the Netherlands, Belgium, and Spain where pill presses are not controlled as they are in the U.S., ecstasy has erased all of the old routes law enforcement has mapped out for the smuggling of traditional drugs. And now the trade is being promoted by organized criminal elements, both from abroad and here. Although Israeli and Russian groups dominate MDMA smuggling, the involvement of domestic groups appears to be increasing. Criminal groups based in Chicago, Phoenix, Texas, and Florida have reportedly secured their own sources of supply in Europe.

Young Americans are being lulled into a belief that ecstasy, and other designer drugs are ''safe'' ways to get high, escape reality, and enhance intimacy in personal relationships. The drug traffickers make their living off of perpetuating and exploiting this myth.

I want to be perfectly clear in stating that ecstasy is an extremely dangerous drug. In my State alone, between July and December of last year, there were 25 deaths in which MDMA or a variant

were listed as a cause of death, and there were another 25 deaths where MDMA was present in the toxicology, although not actually listed as the cause of death. This drug is a definite killer.

The ''Ecstasy Prevention Act of 2001'' renews and enhances our commitment toward fighting the proliferation and trafficking of Ecstasy and other club drugs. It builds on last year's Ecstasy Anti-Proliferation Act of 2000 and provides legislation to assist the Federal and local organizations that are fighting to stop this potentially life-threatening drug. This legislation will allot funding for programs that will educate law enforcement officials and young people and will assist community-based anti-drug efforts. To that end, this bill amends Section 506B(c) of title V of the Public Health Service Act, by adding that priority of funding should be given to communities that have taken measures to combat club drug trafficking and use, to include passing ordinances and increasing law enforcement on Ecstasy.

The bill also provides money for the National Institute on Drug Abuse to conduct research and evaluate the effects that MDMA or Ecstasy has on an individual's health. And, because there is a fear that the lack of current drug tests ability to screen for Ecstasy may encourage Ecstasy use over other drugs, the bill directs ONDCP to commission a test for Ecstasy that meets the standards of and can be used in the Federal Workplace.

Through this campaign, our hope is that Ecstasy will soon go the way of crack, which saw a dramatic reduction in the quantities present on our streets after information of its unpredictable impurities and side effects were made known to a wide audience. By using this educational effort we hope to avoid future deaths and ruined lives.

The Ecstasy Prevention Act of 2000 can only help in our fight against drug abuse in the United States. Customs is working hard to stem the flow of Ecstasy into our country. As legislators we have a responsibility to stop the proliferation of this potentially life threatening drug. The Ecstasy Prevention Act of 2001 will assist the Federal and local agencies charged to fight drug abuse by raising the public profile on the substance-abuse challenge posed by the increasing availability and use of Ecstasy and by focusing on the serious danger it presents to our youth.

We urge our colleagues in the Senate to join us in this important effort by co-sponsoring this bill.

By Mr. BINGAMAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BREAUX, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. JEFFORDS, Mr. BAYH, Mr. DAYTON, and Mr. LIEBERMAN):

S. 1209. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce the Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001, and would like to add Senators BAUCUS, DASCHLE, CONRAD, ROCKEFELLER, KERRY, TORRICELLI, JEFFORDS, LINCOLN, BREAUX, BAYH, DAYTON, and LIEBERMAN as original co-sponsors.

This legislation represents the culmination of almost two years of effort, including discussions with individuals who process or receive trade adjustment assistance, conversations with labor and trade policy experts, consultations with the Department of Labor, requests for studies from the General Accounting Office, and dialogue between my colleagues in the Senate. The legislation is extremely important, as it directly addresses the question of how Congress will assist those workers and communities negatively impacted by international trade. It is also long overdue, as Congress—the Senate in particular—has discussed reform of the trade adjustment assistance programs for a number of years. The last revision of the trade adjustment assistance programs occurred when NAFTA was passed, and we only added to the programs at that time, we did not make them compatible in any tangible way. I believe it is time to act, and I think we have a unique opportunity to act in that there is interest both in Congress and the Administration to improve the trade adjustment assistance programs in a fundamental and a beneficial way.

Let me give some background on trade adjustment assistance, and why I feel it is so important to address at this time.

In 1962, when the Trade Expansion Act was being considered in Congress, the Kennedy Administration established a basic rule concerning international trade as it applies to American workers. When someone loses their job as a result of trade agreements entered into by the U.S. government, we have an obligation to assist these Americans in finding new employment. It is a very straightforward proposition really. If you lose your job because of U.S. trade policy, the Federal Government should help you in your effort to get a job in a competitive industry at a wage equivalent to what you are making now. While I believe the United States should be committed to expanding the international trading system, I also believe we should help our workers get back on their feet when they are harmed by trade agreements.

I find this proposition to be reasonable, appropriate, and fair. It suggests that the U.S. government supports an open, multilateral trading system, but recognizes that it is responsible for the negative impacts this policy has on its citizens. It suggests that the U.S. government believes that an open trading system provides long-term advantages for the United States and its people, but the short-terms costs must be addressed if the policy is to continue and the United States is to remain competitive. It suggests that there is a collective interest that must be pursued by the United States in the international trading system, but that our individual and community interests must be simultaneously protected for the greater good of our country.

This commitment to American workers has continued over the years—through both Democratic and Republican administrations and Congresses—and I am convinced the Trade Adjustment Assistance program should be both solidified and expanded at this time. I say this for two reasons.

First, as I have stated above, because from where I stand American workers and communities deserve some tangible help from the competitive pressures of the international trading system. We cannot stand by and pretend that there is not a need to assist workers and communities adjust to the dramatic changes that are now occurring as a result of globalization. Trade adjustment assistance will help do this.

Second, as a practical matter, passage of stronger trade adjustment assistance legislation will allow us to intensively pursue international trade negotiations and focus on important issues like liberalization, transparency, access, inequality, and poverty in the international economy. If we support programs like Trade Adjustment Assistance—programs that empower American workers, that raise living standards, and that advance the prospects of everyone in our country—then we open the possibility for more comprehensive and beneficial international trade agreements. We must understand that globalization is inevitable, and over time will only move at an even more rapid pace. The question for us in this chamber is not whether we can stop it—we cannot—but how we can manage it to benefit the national interest of the United States. Trade adjustment assistance programs for workers and communities will help do this.

There is no denying that globalization is a double-edged sword. But while there are obvious benefits that come from a more open and interdependent trading system, we cannot ignore the problems that come as a result. In my State of New Mexico we have seen a number of plant closings and lay-offs, including some in my own home town of Silver City. These people cannot simply go across the street and look for new work. They are people who have been dedicated to their companies and have played by the rules over the years. When I talk to these people, they ask me: Where am I supposed to work now? Where do I find a job with a salary that allows me to support a family, own a house, put food on the table, and live a decent life?

Where are the benefits of free trade for me now that my company has gone overseas?

These are hard questions, especially given their current situation. But my answer is that they deserve an opportunity to get income support and retraining to rebuild their lives. They deserve a program that creates skills that are needed, that moves them into new jobs faster, that provides opportunities for the future, that keeps families and communities intact. They deserve the recognition that they are important, and that through training they can continue to contribute to the economic welfare of the United States.

Trade adjustment assistance offers the potential for this outcome. Over the years it has consistently helped workers across the United States deal with the transition that is an inevitable part of a changing international economic system. It helps people that can work and want to work to train for productive jobs that contribute to the economic strength of their communities and our country. Although TAA has not been without its flaws, it remains the only program we have that allows workers and companies to adjust and remain competitive. Without it, in my opinion, we are saying unequivocally that we don't care what happens to you, that we bear no responsibility for the position that you are in, that you are on your own. We can't do that. We have made a promise to workers in every administration, both Democrat and Republican, and we should continue to do so.

As we wrote this legislation, we kept a number of fundamental objectives in mind:

First, we wanted to combine existing trade adjustment assistance programs and harmonize their various requirements so they would provide more effective and efficient results for individuals and communities. In doing so, we wanted to provide allowances, training, job search, relocation, and support service assistance to secondary workers and workers affected by shifts in production. We also ensured that the State-based delivery system created through the Workforce Investment Act remained intact but tightened the program so response times to lay-offs and trade adjustment assistance applications would quicker.

Second, we wanted to recognize the direct correlation between job dislocation, job training, and economic development, especially in communities that have been hit hard by unemployment. In the past, trade adjustment assistance focused specifically on individual re-training, but it did not address the possibility that unemployment might be so high in a community that jobs were not available for an individual after they had completed a training program. To rectify this problem, we have created a community trade adjustment assistance program, designed to provide strategic planning assistance and economic development funding to those communities that need it the most. In doing so, we have emphasized the responsibility of regional and local agencies and organizations to create a community-based recovery plan and activate a response designed to alleviate economic problems in their region, and to establish stakeholder partnerships in the community that enhance competitiveness through workforce development, specific business needs, education reform, and economic development.

Third, we wanted to encourage greater cooperation between Federal, regional, and local agencies that deal with individuals receiving trade adjustment assistance. At present, individuals that are receiving trade adjustment assistance obtain counseling from one-stop shops in their region, but typically this is limited to information related to allowances and training. Not available is the other information concerning funds available through other Federal departments and agencies, such as health care for individuals and their families. To prevent the creation of duplicative programs and to use the funds that are currently available, we have asked that an interagency working group on trade adjustment assistance be created and that a inter-agency database on Federal, State, and local resources available to TAA recipients be established.

Fourth, we wanted to establish accountability in the trade adjustment assistance program. In the past, data concerning trade adjustment assistance has been collected, but not in a uniform fashion across all States and regions. The Department of Labor and the General Accounting Office have done their best to obtain data that allow us to evaluate programs and measure outcomes, and we have used this data in writing this bill. In the future, however, we need to ensure that Congress has the information needed that will allow us to make targeted reforms.

Finally, we wanted to help family farmers. At present, trade adjustment assistance is available for employees of agricultural firms, the reason being that firms have individuals that can become unemployed. Family farmers, however, are not in this position. For them, there is no way to become unemployed, and therefore, no way for them to become eligible for trade adjustment assistance.

This legislation improves upon the current system in a number of ways. As I mentioned above, for the first time Congress will establish a two-tier system for trade adjustment assistance, recognizing that trade can adversely affect both individuals and communities.

For individuals, the legislation: harmonizes TAA and NAFTA/TAA across the board as it relates to eligibility requirements, certification time periods, and training enrollment discrepancies, making it one coherent, comprehensive program; extends TAA benefits to all secondary workers and all workers affected by shifts in production; increases TAA benefits so allowances and training are both available for a 78 week period; provides relocation and job search allowances to TAA recipients; provides support services for individuals, including child-care and dependent-care; increases the time frame available for breaks in training to 30 days; allows individuals who return to work to receive training funds for up to 26 weeks; entitles individual certified under trade adjustment assistance program to training, and caps total training program funding at $300m per year; establishes sliding scale wage insurance program at the Department of Labor; requires detailed data on program performance by States and Department of Labor, plus regular Department of Labor report on efficacy of program to Congress; establishes interagency group to coordinate Federal assistance to individuals and communities; allows individual eligible for trade adjustment assistance program a tax credit of 50% on amount paid for continuation of health care coverage premiums; requires the General Accounting Office to conduct a study of all assistance available from Federal Government for workers facing job loss and economic distress; requires States to conduct a study of all assistance available from Federal Government for workers facing job loss and economic distress; provides States with grants not to exceed $50,000 to conduct such study; requires General Accounting Office and States to submit reports to Senate Finance Committee and House Ways and Means Committee within one year of enactment of this Act; establishes that the Senate Finance Committee and the House Ways and Means Committee can by resolution direct the Secretary to initiate a certification process covering any group of workers.

For communities, the legislation: establishes Office of Community Economic Adjustment (OCEA) at Commerce; establishes inter-agency group to coordinate Federal assistance to communities; establishes community economic adjustment advisors to provide technical assistance to communities and act as liaison between community and Federal government concerning strategic planning and funding; provides funding for strategic planning; provides funding for community economic adjustment efforts; responds to the criticism contained in several reports and creates a series of performance benchmarks and reporting requirements, all of which will allow us to gauge the effectiveness and efficiency of the program.

For companies, the legislation: re-authorizes TAA for firms program.

For Farmers, Ranchers, and Fishermen, the legislation: establishes special provisions that allow TAA to cover family farmers, ranchers, and fishermen.

Let me conclude by saying that I consider the Trade Adjustment Assistance program to be a commitment between our government and the American people. It is the only program designed to help American workers cope with the changes that occur as a result of international trade. Current legislation expires on September 30th of this year, and it is time to do something more than a simple reauthorization. I ask my colleagues to support this bill.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 137—TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL IN JOHN HOFFMAN, ET AL. V. JAMES JEFFORDS

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 137

Whereas, Senator James Jeffords has been named as a defendant in the case of John Hoffman, et al. v. James Jeffords, Case No. 01CV1190, now pending in the United States District Court for the District of Columbia;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator James Jeffords in the case of John Hoffman, et al. v. James Jeffords.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1019. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1020. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1021. Mr. STEVENS (for himself and Mr. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1022. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1023. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1024. Mr. REID (for himself and Mr. DOMENICI) proposed an amendment to the bill H.R. 2311, supra.

SA 1025. Mrs. MURRAY (for herself and Mr. SHELBY) proposed an amendment to the bill H.R. 2299, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

SA 1026. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes.

SA 1027. Mr. SPECTER proposed an amendment to the bill S. 1172, supra.

TEXT OF AMENDMENTS

SA 1019. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 26, after ''expended,'', insert the following: ''of which not less than $300,000 shall be used for a study to determine, and develop a project that would make, the best use, on beaches of adjacent towns, of sand dredged from Morehead City Harbor, Carteret County, North Carolina; and''.

SA 1020. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

(a)(1) Not later than X, the Secretary shall investigate the flood control project for Fort Fairfield, Maine, authorized under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s); and

(2) determine whether the Secretary is responsible for a design deficiency in the project relating to the interference of ice with pump operation.

(b) If the Secretary determines under subsection (a) that the Secretary is responsible for the design deficiency, the Secretary shall correct the design deficiency, including the cost of design and construction, at 100 percent Federal expense.

SA 1021. Mr. STEVENS (for himself and Mr. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

On page 33, after line 25, add the following:

SEC. . SOUTHEAST INTERTIE LICENSE TRANSFER.

(a) IN GENERAL.—On notification by the State of Alaska to the Federal Energy Regulatory Commission that the sale of hydroelectric projects owned by the Alaska Energy Authority has been completed, the transfer of the licenses for Project Nos. 2742, 2743, 2911 and 3015 to the Four Dam Pool Power Agency shall occur by operation of this section.

(b) RATIFICATION OF ORDER.—The Order Granting Limited Waiver of Regulations issued by the Federal Energy Regulatory Commission March 15, 2001 (Docket Nos. EL01–26–000 and Docket No. EL01–32–000, 94 FERC 61,293 (2001), is ratified.

(c) REQUIREMENT TO PURCHASE ELECTRIC POWER.—The members of the Four Dam Pool Power Agency in Alaska shall not be required, under section 210 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 824a–3) or any other provision of federal law, to purchase electric power (capacity or energy) from any entity except the Four Dam Pool Power Agency.

SA 1022. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE —IRAQ PETROLEUM IMPORT RESTRICTION ACT OF 2001

SECTION . SHORT TITLE AND FINDINGS.

(a) This Title can be cited as the ''Iraq Petroleum Import Restriction Act of 2001.''

(b) FINDINGS.—Congress finds that:

(1) the government of the Republic of Iraq:

(A) has failed to comply with the terms of United Nations Security Council Resolution 687 regarding unconditional Iraqi acceptance of the destruction, removal, or rendering harmless, under international supervision, of all nuclear, chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities, as well as all ballistic missiles with a range greater than 150 kilometers and related major parts, and repair and production facilities and has failed to allow United Nations inspectors access to sites used for the production or storage of weapons of mass destruction;

(B) routinely contravenes the terms and conditions of UNSC Resolution 661, authorizing the export of petroleum products from Iraq in exchange for food, medicine and other humanitarian products by conducting a routine and extensive program to sell such products outside of the channels established by UNSC Resolution 661 in exchange for military equipment and materials to be used in pursuit of its program to develop weapons of mass destruction in order to threaten the United States and its allies in the Persian Gulf and surrounding regions;

(C) has failed to adequately draw down upon the amounts received in the Escrow Account established by UNSC Resolution 986 to purchase food, medicine and other humanitarian products required by its citizens, resulting in massive humanitarian suffering by the Iraqi people;

(D) conducts a periodic and systematic campaign to harass and obstruct the enforcement of the United States and United Kingdom-enforced ''No-Fly Zones'' in effect in the Republic of Iraq; and

(E) routinely manipulates the petroleum export production volumes permitted under UNSC Resolution 661 in order to create uncertainty in global energy markets, and therefore threatens the economic security of the United States.

(2) Further imports of petroleum products from the Republic of Iraq are inconsistent with the national security and foreign policy interests of the United States and should be eliminated until such time as they are not so inconsistent.

SEC. . PROHIBITION ON IRAQI-ORIGIN PETROLEUM IMPORTS.

The direct or indirect import from Iraq of Iraqi-origin petroleum and petroleum products is prohibited, notwithstanding an authorization by the Committee established by UNSC Resolution 661 or its designee, or any other order to the contrary.

SEC. . TERMINATION/PRESIDENTIAL CERTIFICATION.

This Act will remain in effect until such time as the President, after consultation with the relevant committees in Congress, certifies to the Congress that:

(a) the United States is not engaged in active military operations in:

(1) enforcing ''No-Fly Zones'' in Iraq;

(2) support of United Nations sanctions against Iraq;

(3) preventing the smuggling of Iraqi-origin petroleum and petroleum products in violation of UNSC Resolution 986; and

(4) otherwise preventing threatening action by Iraq against the United States or its allies; and

(b) resuming the importation of Iraqi-origin petroleum and petroleum products would not be inconsistent with the national security and foreign policy interests of the United States.

SEC. . HUMANITARIAN INTERESTS.

It is the sense of the Senate that the President should make all appropriate efforts to ensure that the humanitarian needs of the Iraqi people are not negatively affected by this Act, and should encourage public, private, domestic and international means the direct or indirect sale, donation or other transfer to appropriate non-governmental health and humanitarian organizations and individuals within Iraq of food, medicine and other humanitarian products.

SEC. . DEFINITIONS.

(a) ''661 COMMITTEE.''—The term 661 Committee means the Security Council Committee established by UNSC Resolution 661, and persons acting for or on behalf of the Committee under its specific delegation of authority for the relevant matter or category of activity, including the overseers appointed by the UN Secretary-General to examine and approve agreements for purchases of petroleum and petroleum products from the Government of Iraq pursuant to UNSC Resolution 986.

(b) ''UNSC RESOLUTION 661.''—The term UNSC Resolution 661 means United Nations Security Council Resolution No. 661, adopted August 6, 1990, prohibiting certain transactions with respect to Iraq and Kuwait.

(c) ''UNSC RESOLUTION 986.''—The term UNSC Resolution 986 means United Nations Security Council Resolution 98, adopted April 14, 1995.

SEC. . EFFECTIVE DATE.

The prohibition on importation of Iraqi origin petroleum and petroleum products shall be effective 30 days after enactment of this Act.

SA 1023. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows:

On page 14, line 9, strike ''prices).'' and insert ''prices): *Provided further*, That none of the funds made available in furtherance of or for the purposes of the CALFED Program may be obligated or expended for such purpose unless separate legislation specifically authorizing such expenditures or obligation has been enacted.''

SA 1024. Mr. REID (for himself and Mr. DOMENICI) proposed an amendment to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; as follows:

On page 17, line 8, insert the following:

SEC. 204. LOWER COLORADO RIVER BASIN DEVELOPMENT FUND.

(a) IN GENERAL.—Notwithstanding section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)), no amount from the Lower Colorado River Basin Development Fund shall be paid to the general fund of the Treasury until each provision of the Stipulation Regarding a Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, filed in United States district court on May 3, 2000, in Central Arizona Water Conservation District v. United States (No. CIV 95–625–TUC–WDB (EHC), No. CIV 95–1720–OHX–EHC (Consolidated Action)) is met.

(b) PAYMENT TO GENERAL FUND.—If any of the provisions of the stipulation referred to in subsection (a) is not met by the date that is 3 years after the date of enactment of this Act, payments to the general fund of the Treasury shall resume in accordance with section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)).

(c) AUTHORIZATION.—Amounts in the Lower Colorado River Basin Development Fund that but for this section would be returned to the general fund of the Treasury shall not be expended until further Act of Congress.

At the appropriate place in the bill insert the following: ''; *Provided*, That within the funds provided, molecular nuclear medicine research shall be continued at not less than the fiscal year 2001 funding level.''

At the appropriate place in Title I, insert the following:

''SEC. . The non-Federal interest shall receive credit towards the lands, easements, relocations, rights-of-way, and disposal areas required for the Lava Hot Springs restoration project in Idaho, and acquired by the non-Federal interest before execution of the project cooperation agreement: *Provided*, That the Secretary shall provide credit for work only if the Secretary determines such work to be integral to the project.''

On page 7, line 6, before the period, insert the following: '': *Provided further*, That, with respect to the environmental infrastructure project in Lebanon, New Hampshire, for which funds are made available under this heading, the non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for work performed before the date of execution of the project cooperation agreement'', if the Secretary determines the work is integral to the project.''

On page 8, line 7, before the colon, insert the following: '', and of which not less than $400,000 shall be used to carry out maintenance dredging of the Sagamore Creek Channel, New Hampshire''.

On page 11, line 16 insert the following '', ''SEC. 104. Of the funds provided under Title I, $15,500,000 shall be available for the Demonstration Erosion Control project, MS.''

On page 36, line 5, strike ''$43,652,000'' and insert ''$48,652,000''.

On page 36, line 16, strike ''$5,432,000'' and insert ''$5,280,000''.

On page 36, line 23, strike ''$68,000'' and insert ''$220,000''.

At the appropriate place in the bill under General Provisions, Department of Energy, insert the following:

SEC. 3 . (a) The Secretary of Energy shall conduct a study of alternative financing approaches, to include third-party-type methods, for infrastructure and facility construction projects across the Department of Energy. (b) The study shall be completed and delivered to the House and Senate Committees on Appropriation within 180 days of enactment.

On page 29, line 3, strike ''$181,155,000'' and insert ''$187,155,000''.

On page 29, line 5, strike ''$181,155,000'' and insert ''$187,155,000''.

On page 29, line 13, insert the following after ''not more than $0'' insert the following: '': *Provided further*, That the Commission is authorized to hire an additional ten senior executive service positions.''

On page 17, lines 21 and 22, strike ''$736,139,000 to remain available until expended'' and insert ''$736,139,000, to remain available until expended, of which not less than $3,000,000 shall be used for the advanced test reactor research and development upgrade initiative''.

In Title II, page 14, line 9, after ''1998 prices).'' strike the period and insert the following: '': *Provided further*, That of the funds provided herein, $1,000,000 may be used to complete the Hopi/Western Navajo Water Development Plan, Arizona.''

At the appropriate place, insert: ''Of the funds made available under Operations and Maintenance, a total of $3,000,000 may be made available for Perry Lake, Kansas.''

On page 28, before the period on line 10, insert the following: '': *Provided further*, That of the amount herein appropriated, not less than $200,000 shall be provided for corridor review and environmental review required for construction of a 230 kv transmission line between Belfield and Hettinger, North Dakota: *Provided further*, That these funds shall be nonreimbursable: *Provided further*, That these funds shall be available until expended.''

On page 12, line 20, after ''expended,'' insert ''of which $4,000,000 shall be available for the West River/Lyman-Jones Rural Water System to provide rural, municipal, and industrial drinking water for Philip, South Dakota, in accordance with the Mni Wiconi Project Act of 1988 (102 Stat. 2566; 108 Stat. 4539),''.

On page 28, before the period on line 23, insert the following: ''*Provided further*, within the amount herein appropriated, not less than $200,000 shall be provided for the Western Area Power Administration to conduct a technical analysis of the costs and feasibility of transmission expansion methods and technologies: *Provided further*, That WAPA shall publish a study by July 31, 2002 that contains recommendations of the most cost-effective methods and technologies to enhance electricity transmission from lignite and wind energy: *Provided further*, That these funds shall be non-reimbursable: *Provided further*, That these funds shall be available until expended.''

On page 7, line 26, after ''expended,'' insert the following: ''of which not less than $300,000 shall be used for a study to determine, and develop a project that would make, the best use, on beaches of adjacent towns, of sand dredged from Morehead City Harbor, Carteret County, North Carolina; and''.

In Title I, on page 11, Line 16, after ''Plan'', insert at the appropriate place, the following:

''SEC. . GUADALUPE RIVER, CALIFORNIA.

''The project for flood control, Guadalupe River, California, authorized by Section 401 of the Water Resources Development Act of 1986, and the Energy and Water Development Appropriation Acts of 1990 and 1992, is modified to authorize the Secretary to construct the project substantially in accordance with the General Reevaluation and Environmental Report for Proposed Project Modifications, dated February 2001, at a total cost of $226,800,000, with an estimated Federal cost $128,700,000, and estimated non-Federal cost of $98,100,000.''

On page 2, line 18, before the period, insert the following: '', of which not less than $500,000 shall be used to conduct a study of Port of Iberia, Louisiana''.

On page 8, at the end of line 24, before the period, insert:

'': *Provided further*, That $500,000 of the funds appropriated herein shall be available for the conduct of activities related to the selection, by the Secretary of the Army in

cooperation with the Environmental Protection Agency, of a permanent disposal site for environmentally sound dredged material from navigational dredging projects in the State of Rhode Island.''

At the appropriate place, insert the following:

''Of the funds provided under Operations and Maintenance for McKlellan-Kerr, Arkansas River Navigation System dredging, $22,338,000 is provided: Provided further, of that amount, $1,000,000 shall be for dredging on the Arkansas River for maintenance dredging at the authorized depth.''

On Page 2, line 18, before the period, insert the following: '', *Provided*, That using $100,000 of the funds provided herein for the States of Maryland, Virginia, Pennsylvania and the District of Columbia, the Secretary of the Army, acting through the Chief of Engineers, is directed to conduct a Chesapeake Bay shoreline erosion study, including an examination of management measures that could be undertaken to address the sediments behind the dams on the lower Susquehanna River.

On page 11, between lines 16 and 17, insert the following:

SEC. 1___. DESIGNATION OF NONNAVIGABILITY FOR PORTIONS OF GLOUCESTER COUNTY, NEW JERSEY.

(a) DESIGNATION.—

(1) IN GENERAL.—The Secretary of the Army (referred to in section as the ''Secretary'') shall designate as nonnavigable the areas described in paragraph (3) unless the Secretary, after consultation with local and regional public officials (including local and regional planning organizations), makes a determination that 1 or more projects proposed to be carried out in 1 or more areas described in paragraph (2) are not in the public interest.

(2) DESCRIPTION OF AREAS.—The areas referred to in paragraph (1) are certain parcels of property situated in the West Deptford Township, Gloucester County, New Jersey, as depicted on Tax Assessment Map #26, Block #328, Lots #1, 1.03, 1.08, and 1.09, more fully described as follows:

(A) Beginning at the point in the easterly line of Church Street (49.50 feet wide), said beginning point being the following 2 courses from the intersection of the centerline of Church Street with the curved northerly right-of-way line of Pennsylvania-Reading Seashore Lines Railroad (66.00 feet wide)—

(i) along said centerline of Church Street N. 11°28′50″ E. 38.56 feet; thence

(ii) along the same N. 61°28′35″ E. 32.31 feet to the point of beginning.

(B) Said beginning point also being the end of the thirteenth course and from said beginning point runs; thence, along the aforementioned Easterly line of Church Street—

(i) N. 11°28′50″ E. 1052.14 feet; thence

(ii) crossing Church Street, N. 34°19′51″ W. 1590.16 feet; thence

(iii) N. 27°56′37″ W. 3674.36 feet; thence

(iv) N. 35°33′54″ W. 975.59 feet; thence

(v) N. 57°04′39″ W. 481.04 feet; thence

(vi) N. 36°22′55″ W. 870.00 feet to a point in the Pierhead and Bulkhead Line along the Southeasterly shore of the Delaware River; thence

(vii) along the same line N. 53°37′05″ E. 1256.19 feet; thence

(viii) still along the same, N. 86°10′29″ E. 1692.61 feet; thence, still along the same the following thirteenth courses

(ix) S. 67°44′20″ E. 1090.00 feet to a point in the Pierhead and Bulkhead Line along the Southwesterly shore of Woodbury Creek; thence

(x) S. 39°44′20″ E. 507.10 feet; thence

(xi) S. 31°01′38″ E. 1062.95 feet; thence

(xii) S. 34°34′20″ E. 475.00 feet; thence

(xiii) S. 32°20′28″ E. 254.18 feet; thence

(xiv) S. 52°55′49″ E. 964.95 feet; thence

(xv) S. 56°24′40″ E. 366.60 feet; thence

(xvi) S. 80°31′50″ E. 100.51 feet; thence

(xvii) N. 75°30′00″ E. 120.00 feet; thence

(xviii) N. 53°09′00″ E. 486.50 feet; thence

(xix) N. 81°18′00″ E. 132.00 feet; thence

(xx) S. 56°35′00″ E. 115.11 feet; thence

(xxi) S. 42°00′00″ E. 271.00 feet; thence

(xxii) S. 48°30′00″ E. 287.13 feet to a point in the Northwesterly line of Grove Avenue (59.75 feet wide); thence

(xxiii) S. 23°09′50″ W. 4120.49 feet; thence

(xxiv) N. 66°50′10″ W. 251.78 feet; thence

(xxv) S. 36°05′20″ E. 228.64 feet; thence

(xxvi) S. 58°53′00″ W. 1158.36 feet to a point in the Southwesterly line of said River Lane; thence

(xxvii) S. 41°31′35″ E. 113.50 feet; thence

(xxviii) S. 61°28′35″ W. 863.52 feet to the point of beginning.

(C)(i) Except as provided in clause (ii), beginning at a point in the centerline of Church Street (49.50 feet wide) where the same is intersected by the curved northerly line of Pennsylvania-Reading Seashore Lines Railroad right-of-way (66.00 feet wide), along that Railroad, on a curve to the left, having a radius of 1465.69 feet, an arc distance of 1132.14 feet—

(I) N. 88°45′47″ W. 1104.21 feet; thence

(II) S. 69°06′30″ W. 1758.95 feet; thence

(III) N. 23°04′43″ W. 600.19 feet; thence

(IV) N. 19°15′32″ W. 3004.57 feet; thence

(V) N. 44°52′41″ W. 897.74 feet; thence

(VI) N. 32°26′05″ W. 2765.99 feet to a point in the Pierhead and Bulkhead Line along the Southeasterly shore of the Delaware River; thence

(VII) N. 53°37′05″ E. 2770.00 feet; thence

(VIII) S. 36°22′55″ E. 870.00 feet; thence

(IX) S. 57°04′39″ E. 481.04 feet; thence

(X) S. 35°33′54″ E. 975.59 feet; thence

(XI) S. 27°56′37″ E. 3674.36 feet; thence

(XII) crossing Church Street, S. 34°19′51″ E. 1590.16 feet to a point in the easterly line of Church Street; thence

(XIII) S. 11°28′50″ W. 1052.14 feet; thence

(XIV) S. 61°28′35″ W. 32.31 feet; thence

(XV) S. 11°28′50″ W. 38.56 feet to the point of beginning.

(ii) The parcel described in clause (i) does not include the parcel beginning at the point in the centerline of Church Street (49.50 feet wide), that point being N. 11°28′50″ E. 796.36 feet, measured along the centerline, from its intersection with the curved northerly right-of-way line of Pennsylvania-Reading Seashore Lines Railroad (66.00 feet wide)—

(I) N. 78°27′40″ W. 118.47 feet; thence

(II) N. 15°48′40″ W. 120.51 feet; thence

(III) N. 77°53′00″ E 189.58 feet to a point in the centerline of Church Street; thence

(IV) S. 11°28′50″ W. 183.10 feet to the point of beginning.

(b) LIMITS ON APPLICABILITY; REGULATORY REQUIREMENTS.—

(1) IN GENERAL.—The designation under subsection (a)(1) shall apply to those parts of the areas described in subsection (a) that are or will be bulkheaded and filled or otherwise occupied by permanent structures, including marina facilities.

(2) APPLICABLE LAW.—All activities described in paragraph (1) shall be subject to all applicable Federal law, including—

(A) the Act of March 3, 1899 (30 Stat. 1121, chapter 425);

(B) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); and

(C) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(c) TERMINATION OF DESIGNATION.—If, on the date that is 20 years after the date of enactment of this Act, any area or portion of an area described in subsection (a)(3) is not bulkheaded, filled, or otherwise occupied by permanent structures (including marina facilities) in accordance with subsection (b), or if work in connection with any activity authorized under subsection (b) is not commenced by the date that is 5 years after the date on which permits for the work are issued, the designation of nonnavigability under subsection (a)(1) for that area or portion of an area shall terminate.

Under Title II, page 14, line 9, strike the period and insert the following: *: Provided further*, That $500,000 of the funds provided herein, shall be available to begin design activities related to installation of electric irrigation water pumps at the Savage Rapids Dam on the Rogue River, Oregon.

At the appropriate place insert the following:

SEC. . NOME HARBOR TECHNICAL CORRECTIONS.

Section 101(a)(1) of Public Law 106–53 (the Water Resources Development Act of 1999) is amended by—

(A) striking ''25,651,000'' and inserting in its place ''$39,000,000''; and

(B) striking ''20,192,000'' and inserting in its place ''$33,541,000''.

In Title I, on page 11, line 16, after ''Plan.'' at the appropriate place, insert the following:

''SEC. . The Secretary of the Army shall not accept or solicit non-Federal voluntary contributions for shore protection work in excess of the minimum requirements established by law; except that, when voluntary contributions are tendered by a non-Federal sponsor for the prosecution of work outside the authorized scope of the Federal project at full non-Federal expense, the Secretary is authorized to accept said contributions.''

In Title I, on page 2, line 18, after ''until expended.'', strike the period and insert the following: '': *Provided*, that the Secretary of the Army, using $100,000 of the funds provided herein, is directed to conduct studies for flood damage reduction, environmental protection, environmental restoration, water supply, water quality and other purposes in Tuscaloosa County, Alabama, and shall provide a comprehensive plan for the development, conservation, disposal and utilization of water and related land resources, for flood damage reduction and allied purposes, including the determination of the need for a reservoir to satisfy municipal and industrial water supply needs.''

Insert on page 14, line 9, after ''1998 prices)'' *'': Provided further*, That of such funds, not more than $1,500,000 shall be available to the Secretary for completion of a feasibility study for the Santa Fe Regional Water System, New Mexico: *Provided further*, That the study shall be completed by September 30, 2002''

At the appropriate place, insert the following:

SEC. . Section 211 of the Water Resources and Development Act of 2000 (P.L. 106–541) [114 Stat. 2592–2593] is amended by adding the following language at the end thereof as paragraph (c):

''(3) ENGINEERING RESEARCH AND DEVELOPMENT CENTER.—The Engineer Research and Development Center is exempt from the requirements of this section.''

At the appropriate place insert the following:

SEC. . Section 514(g) of the Water Resources and Development Act of 1999 (113 STAT. 343) is amended by striking ''fiscal years 2000 and 2001'' and inserting in lieu thereof ''fiscal years 2000 through 2002.''

In Title II, page 17, line 7, after ''390ww(i)).'' at the appropriate place insert the following:

''SEC. . (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San

Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the ''Cleanup Program-Alternative Repayment Plan'' described in the report entitled ''Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995'', prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal Reclamation law.

In Title II, page 14, line 3, after ''of ''and 2001'': *Provided further*,'' from the colon strike line 3 through line 9 to the period.

In Title I, page 2 line 18, after ''until expended,'' strike the period and insert the following: '': *Provided further*, That within the funds provided herein, the Secretary may use $300,000 for the North Georgia Water Planning District Watershed Study, Georgia.''

Under Title I, page 11, after line 16, at the appropriate place, insert the following:

''SEC. . (a)(1) Not later than December 31, 2001, the Secretary shall investigate the flood control project for Fort Fairfield, Maine, authorized under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s); and

''(2) determine whether the Secretary is responsible for a design deficiency in the project relating to the interference of ice with pump operation.

''(b) If the Secretary determines under subsection (a) that the Secretary is responsible for the design deficiency, the Secretary shall correct the design deficiency, including the cost of design and construction, at 100 percent Federal expense.''

At the appropriate place, add the following:

The Corps of Engineers is urged to proceed with design of the Section 205 Mad Creek Flood control project in Iowa.

On page 17, line 22, before the period, insert the following: ''of which $1,000,000 may be available for the Consortium for Plant Biotechnology Research''.

Insert on page 22, line 14, strike the period and insert the following: '': *Provided further*, That, $30,000,000 shall be utilized for technology partnerships supportive of NNSA missions and $3,000,000 shall be utilized at the NNSA laboratories for support of small business interaction, including technology clusters relevant to laboratory mission.''

On page 33, after line 25, add the following:

SEC. 312. (a) IN GENERAL.—The Secretary of Energy shall provide for the management of environmental matters (including planning and budgetary activities) with respect to the Paducah Gaseous Diffusion Plant, Kentucky, through the Assistant Secretary of Energy for Environmental Management.

(b) PARTICULAR REQUIREMENTS.—(1) In meeting the requirement in subsection (a), the Secretary shall provide for direct communication between the Assistant Secretary of Energy for Environmental Management and the head of the Paducah Gaseous Diffusion Plant on the matters covered by that subsection.

(2) The Assistant Secretary shall carry out activities under this section in direct consultation with the head of the Paducah Gaseous Diffusion Plant.

At the appropriate place, insert the following:

SEC. . CERRILLOS DAM, PUERTO RICO.

The Secretary of the Army shall reassess the allocation of Federal and non-Federal costs for construction of the Cerrillos Dam, carried out as part of the project for flood control, Portugues and Bucana Rivers, Puerto Rico.

At the appropriate place insert:

SEC. . The Senate finds that—

(1) The Department of Energy's Yucca Mountain Program has been one of the most intensive scientific investigations in history.

(2) Significant milestones have been met, including the recent release of the Science and Engineering Report, and others are due in the near future including the Final Site Suitability Evaluation.

(3) Nuclear power presently provides 20% of the electricity generated in the United States.

(4) A decision on how to dispose of spent nuclear fuel and high level radioactive waste is essential to the future of nuclear power in the United States.

(5) Any decision on how to dispose of spent nuclear fuel and high level radioactive waste must be based on sound science and it is critical that the federal government provide adequate funding to ensure the availability of such science in a timely manner to allow fully informed decisions to be made in accordance with the statutorily mandated process. Therefore be in

Resolved, That it is the Sense of the Senate that the Conferees on the part of the Senate should ensure that the levels of funding included in the Senate bill for the Yucca Mountain program are increased to an amount closer to that included in the House—passed version of the bill to ensure that a determination on the disposal of spent nuclear fuel and high level radioactive waste can be concluded in accordance with the statutorily mandated process.

At the appropriate place in Title II, insert the following:

''SEC. . The Secretary of Interior, in accepting payments for the reimbursable expenses incurred for the replacement, repair, and extraordinary maintenance with regard to the Valve Rehabilitation Project at the Arrowrock Dam on the Arrowrock Division of the Boise Project in Idaho, shall recover no more than $6,900,000 of such expenses according to the application of the current formula for charging users for reimbursable operation and maintenance expenses at Bureau of Reclamation facilities on the Boise Project, and shall recover this portion of such expenses over a period of 15 years.

Insert at the appropriate place in the bill under ''Weapons Activities'' the following: ''*Provided further*, That $1,000,000 shall be made available for community reuse organizations within the office of Worker and Community Transition.''

At the appropriate place, insert the following:

SEC. . The Department of Energy shall consult with the State of South Carolina regarding any decisions or plans related to the disposition of surplus plutonium located at the DOE Savannah River Site. The Secretary of Energy shall prepare not later than September 30, 2002, a plan for those facilities required to ensure the capability to dispose of such materials.

On page 12, between lines 5 and 6, insert the following:

SEC. 1___. STUDY OF CORPS CAPABILITY TO CONSERVE FISH AND WILDLIFE.

Section 704(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2263(b)) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(2) by striking ''(b) The Secretary'' and inserting the following:

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary''; and

(3) by striking ''The non-Federal share of the cost of any project under this section shall be 25 percent.'' and inserting the following:

''(2) COST SHARING.—

''(A) IN GENERAL.—The non-Federal share of the cost of any project under this subsection shall be 25 percent.

''(B) FORM.—The non-Federal share may be provided through in-kind services, including the provision by the non-Federal interest of shell stock material that is determined by the Chief of Engineers to be suitable for use in carrying out the project.

''(C) APPLICABILITY.—The non-Federal interest shall be credited with the value of in-kind services provided on or after October 1, 2000, for a project described in paragraph (1) completed on or after that date if the Secretary determines that the work is integral to the project.''.

On page 5, line 5 after ''Vermont:'' insert ''*Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $2.5 million of the funds appropriated herein to proceed with the removal of the Embrey Dam, Fredericksburg, Virginia.''

On page 11, between lines 16 and 17, insert the following:

SEC. 1 . RARITAN RIVER BASIN, GREEN BROOK SUBBASIN, NEW JERSEY.

The Secretary of the Army shall implement, with a Federal share of 75 percent and a non-Federal share of 25 percent, a buyout plan in the western portion of Middlesex Borough, located in the Green Brook subbasin of the Raritan River basin, New Jersey, that includes—

(1) the buyout of not to exceed 10 single-family residences;

(2) floodproofing of not to exceed 4 commercial buildings located along Prospect Place or Union Avenue; and

(3) the buyout of not to exceed 3 commercial buildings located along Raritan Avenue or Lincoln Avenue.

At the appropriate place, insert the following: *Provided further*, That the project for the ACF authorized by section 2 of the Rivers and Harbor Act of March 2, 1945 (Public Law 79–14; 59 Stat. 10) and modified by the first section of the River and Harbor Act of 1946 (60 Stat. 635, chapter 595), is modified to authorize the Secretary, as part of navigation maintenance activities to develop and implement a plan to be integrated into the long term dredged material management plan being developed for the Corley Slough reach as required by conditions of the State of Florida water quality certification, for periodically removing sandy dredged material from the disposal sites that the Secretary may determine to be needed, for the purpose of reuse of the disposal areas, but transporting and depositing the sand for environmentally acceptable beneficial uses in coastal areas of northwest Florida to be determined in coordination with the State of Florida: *Provided further*, that the Secretary is authorized to acquire all lands, easements, and rights of way that may be determined by the Secretary, in consultation with the affected state, to be required for dredged material disposal areas to implement a long term dredge material management plan: *Provided further*, that the long term management plan shall be developed in coordination with the State of Florida no later than 2 years from the date of enactment of this legislation: *Provided further*, That, $1,000,000 shall

be made available for these purposes and $8,173,000 shall be made available for the Apalacheila, Chattahoochee and Flint Rivers Navigation.

On page 33, after line 25, add the following:

SEC. 3 . PROHIBITION OF OIL AND GAS DRILLING IN THE FINGER LAKES NATIONAL FOREST, NEW YORK.

No Federal permit or lease shall be issued for oil or gas drilling in the Finger Lakes National Forest, New York, during fiscal year 2002 or thereafter.

In the appropriate place, strike $150,000 for Horseshoe Lake Feasibility Study and replace with $250,000 for Horseshoe Lake Feasibility Study.

SA 1025. Mrs. MURRAY (for herself and Mr. SHELBY) proposed an amendment to the bill H.R. 2299, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes; as follows:

Stike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $67,349,000: *Provided*, That not to exceed $60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: *Provided further*, That notwithstanding any other provision of law, there may be credited to this appropriation up to $2,500,000 in funds received in user fees.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $8,500,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, $15,592,000.

TRANSPORTATION ADMINISTRATIVE SERVICE CENTER

Necessary expenses for operating costs and capital outlays of the Transportation Administrative Service Center, not to exceed $125,323,000, shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Transportation Administrative Service Center without the approval of the agency modal administrator: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, $500,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, $400,000.

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, $3,000,000, of which $2,635,000 shall remain available until September 30, 2003: *Provided*, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare, $3,427,588,000, of which $695,000,000 shall be available for defense-related activities including drug interdiction; and of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That none of the funds appropriated in this or any other Act shall be available for pay for administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further*, That of the amounts made available under this heading, not less than $13,541,000 shall be used solely to increase staffing at Search and Rescue stations, surf stations and command centers, increase the training and experience level of individuals serving in said stations through targeted retention efforts, revised personnel policies and expanded training programs, and to modernize and improve the quantity and quality of personal safety equipment, including survival suits, for personnel assigned to said stations: *Provided further*, That the Department of Transportation Inspector General shall audit and certify to the House and Senate Committees on Appropriations that the funding described in the preceding proviso is being used solely to supplement and not supplant the Coast Guard's level of effort in this area in fiscal year 2001.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $669,323,000, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund; of which $79,640,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2006; $12,500,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 2004; $97,921,000 shall be available for other equipment, to remain available until September 30, 2004; $88,862,000 shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 2004; $65,200,000 shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 2003; and $325,200,000 for the Integrated Deepwater Systems program, to remain available until September 30, 2006: *Provided*, That the Commandant of the Coast Guard is authorized to dispose of surplus real property, by sale or lease, and the proceeds shall be credited to this appropriation as offsetting collections and made available only for the National Distress and Response System Modernization program, to remain available for obligation until September 30, 2004: *Provided further*, That none of the funds provided under this heading may be obligated or expended for the Integrated Deepwater Systems (IDS) system integration contract until the Secretary or Deputy Secretary of Transportation and the Director, Office of Management and Budget jointly certify to the House and Senate Committees on Appropriations that funding for the IDS program for fiscal years 2003 through 2007, funding for the National Distress and Response System Modernization program to allow for full deployment of said system by 2006, and funding for other essential Search and Rescue procurements, are fully funded in the Coast Guard Capital Investment Plan and within the Office of Management and Budget's budgetary projections for the Coast Guard for those years: *Provided further*, That none of the funds provided under this heading may be obligated or expended for the Integrated Deepwater Systems (IDS) integration contract until the Secretary or Deputy Secretary of Transportation, and the Director, Office of Management and Budget jointly approve a contingency procurement strategy for the recapitalization of assets and capabilities envisioned in the IDS: *Provided further*, That upon initial submission to the Congress of the fiscal year 2003 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the United States Coast Guard which includes funding for each budget line item for fiscal years 2003 through 2007, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget: *Provided further*, That the amount herein appropriated shall be reduced by $100,000 per day for each day after initial submission of the President's budget that the plan has not been submitted to the Congress: *Provided further*, That the Director, Office of Management and Budget shall submit the budget request for the IDS integration contract delineating sub-headings as follows: systems integrator, ship construction, aircraft, equipment, and communications, providing specific assets and costs under each sub-heading.

(RESCISSIONS)

Of the amounts made available under this heading in Public Laws 105–277, 106–69, and 106–346, $8,700,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $16,927,000, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $15,466,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payment for career status bonuses under the National Defense Authorization Act, and for

payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), $876,346,000.

RESERVE TRAINING

(INCLUDING TRANSFER OF FUNDS)

For all necessary expenses of the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $83,194,000: *Provided,* That no more than $25,800,000 of funds made available under this heading may be transferred to Coast Guard ''Operating expenses'' or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve: *Provided further,* That none of the funds in this Act may be used by the Coast Guard to assess direct charges on the Coast Guard Reserves for items or activities which were not so charged during fiscal year 1997.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $21,722,000, to remain available until expended, of which $3,492,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided,* That there may be credited to and used for the purposes of this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities, the operation (including leasing) and maintenance of aircraft, subsidizing the cost of aeronautical charts and maps sold to the public, lease or purchase of passenger motor vehicles for replacement only, in addition to amounts made available by Public Law 104–264, $6,916,000,000, of which $5,777,219,000 shall be derived from the Airport and Airway Trust Fund: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: *Provided further,* That of the funds appropriated under this heading, not less than $6,000,000 shall be for the contract tower cost-sharing program: *Provided further,* That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: *Provided further,* That none of the funds in this Act shall be available for new applicants for the second career training program: *Provided further,* That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: *Provided further,* That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United States.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized under part A of subtitle VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this heading; to be derived from the Airport and Airway Trust Fund, $2,914,000,000, of which $2,536,900,000 shall remain available until September 30, 2004, and of which $377,100,000 shall remain available until September 30, 2002: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further,* That upon initial submission to the Congress of the fiscal year 2003 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the Federal Aviation Administration which includes funding for each budget line item for fiscal years 2003 through 2007, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget: *Provided further,* That the amount herein appropriated shall be reduced by $100,000 per day for each day after initial submission of the President's budget that the plan has not been submitted to the Congress.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, $195,808,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2004: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations; for administration of such programs and of programs under section 40117 of such title; and for inspection activities and administration of airport safety programs, including those related to airport operating certificates under section 44706 of title 49, United States Code, $1,800,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided,* That none of the funds under this heading shall be available for the planning or execution of programs the obligations for which are in excess of $3,300,000,000 in fiscal year 2002, notwithstanding section 47117(h) of title 49, United States Code: *Provided further,* That notwithstanding any other provision of law, not more than $64,597,000 of funds limited under this heading shall be obligated for administration: *Provided further,* That of the funds under this heading, not more than $10,000,000 may be available to carry out the Essential Air Service program under subchapter II of chapter 417 of title 49 U.S.C., pursuant to section 41742(a) of such title.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 48103, as amended, $301,720,000 are rescinded.

SMALL COMMUNITY AIR SERVICE DEVELOPMENT

For necessary expenses to carry out the Small Community Air Service Development Pilot Program under section 41743 of title 49 U.S.C., $20,000,000, to remain available until expended.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program for aviation insurance activities under chapter 443 of title 49, United States Code.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Necessary expenses for administration and operation of the Federal Highway Administration, not to exceed $316,521,000 shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided,* That of the funds available under section 104(a) of title 23, United States Code: $7,500,000 shall be available for ''Child Passenger Protection Education Grants'' under section 2003(b) of Public Law 105–178, as amended; $7,000,000 shall be available for motor carrier safety research; and $11,000,000 shall be available for the motor carrier crash data improvement program, the commercial driver's license improvement program, and the motor carrier 24-hour telephone hotline.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $31,919,103,000 for Federal-aid highways and highway safety construction programs for fiscal year 2002: *Provided,* That within the $31,919,103,000 obligation limitation on Federal-aid highways and highway safety construction programs, not more than $447,500,000 shall be available for the implementation or execution of programs for transportation research (sections 502, 503, 504, 506, 507, and 508 of title 23, United States Code, as amended; section 5505 of title 49, United States Code, as amended; and sections 5112 and 5204–5209 of Public Law 105–178) for fiscal year 2002: *Provided further,* That within the $225,000,000 obligation limitation on Intelligent Transportation Systems, the

following sums shall be made available for Intelligent Transportation System projects in the following specified areas:

Indiana Statewide, $1,500,000;
Southeast Corridor, Colorado, $9,900,000;
Jackson Metropolitan, Mississippi, $1,000,000;
Harrison County, Mississippi, $1,000,000;
Indiana, SAFE–T, $3,000,000;
Maine Statewide (Rural), $1,000,000;
Atlanta Metropolitan GRTA, Georgia, $1,000,000;
Moscow, Idaho, $2,000,000;
Washington Metropolitan Region, $4,000,000;
Travel Network, South Dakota, $3,200,000;
Central Ohio, $3,000,000;
Delaware Statewide, $4,000,000;
Santa Teresa, New Mexico, $1,500,000;
Fargo, North Dakota, $1,500,000;
Illinois statewide, $3,750,000;
Forsyth, Guilford Counties, North Carolina, $2,000,000;
Durham, Wake Counties, North Carolina, $1,000,000;
Chattanooga, Tennessee, $2,380,000;
Nebraska Statewide, $5,000,000;
South Carolina Statewide, $7,000,000;
Texas Statewide, $4,000,000;
Hawaii Statewide, $1,750,000;
Wisconsin Statewide, $2,000,000;
Arizona Statewide EMS, $1,000,000;
Vermont Statewide (Rural), $1,500,000;
Rutland, Vermont, $1,200,000;
Detroit, Michigan (Airport), $4,500,000;
Macomb, Michigan (border crossing), $2,000,000;
Sacramento, California, $6,000,000;
Lexington, Kentucky, $1,500,000;
Maryland Statewide, $2,000,000;
Clark County, Washington, $1,000,000;
Washington Statewide, $6,000,000;
Southern Nevada (bus), $2,200,000;
Santa Anita, California, $1,000,000;
Las Vegas, Nevada, $3,000,000;
North Greenbush, New York, $2,000,000;
New York, New Jersey, Connecticut (TRANSCOM), $7,000,000;
Crash Notification, Alabama, $2,500,000;
Philadelphia, Pennsylvania (Drexel), $3,000,000;
Pennsylvania Statewide (Turnpike), $1,000,000;
Alaska Statewide, $3,000,000;
St. Louis, Missouri, $1,500,000;
Wisconsin Communications Network, $620,000:

Provided further, That, notwithstanding any other provision of law, funds authorized under section 110 of title 23, United States Code, for fiscal year 2002 shall be apportioned to the States in accordance with the distribution set forth in section 110(b)(4)(A) and (B) of title 23, United States Code, except that before such apportionments are made, $35,565,651 shall be set aside for the program authorized under section 1101(a)(8)(A) of the Transportation Equity Act for the 21st Century, as amended, and section 204 of title 23, United States Code; $31,815,091 shall be set aside for the program authorized under section 1101(a)(8)(B) of the Transportation Equity Act for the 21st Century, as amended, and section 204 of title 23, United States Code; $21,339,391 shall be set aside for the program authorized under section 1101(a)(8)(C) of the Transportation Equity Act for the 21st Century, as amended, and section 204 of title 23, United States Code; $2,586,593 shall be set aside for the program authorized under section 1101(a)(8)(D) of the Transportation Equity Act for the 21st Century, as amended, and section 204 of title 23, United States Code; $4,989,367 shall be set aside for the program authorized under section 129(c) of title 23, United States Code, and section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991, as amended; $230,681,878 shall be set aside for the programs authorized under sections 1118 and 1119 of the Transportation Equity Act for the 21st Century, as amended; $2,468,424 shall be set aside for the projects authorized by section 218 of title 23, United States Code; $13,129,913 shall be set aside for the program authorized under section 118(c) of title 23, United States Code; $13,129,913 shall be set aside for the program authorized under section 144(g) of title 23, United States Code; $55,000,000 shall be set aside for the program authorized under section 1221 of the Transportation Equity Act for the 21st Century, as amended; $100,000,000 shall be set aside to carry out a matching grant program to promote access to alternative methods of transportation; $45,000,000 shall be set aside to carry out a pilot program that promotes innovative transportation solutions for people with disabilities; and $23,896,000 shall be set aside and transferred to the Federal Motor Carrier Safety Administration as authorized by section 102 of Public Law 106–159: *Provided further*, That, of the funds to be apportioned to each State under section 110 for fiscal year 2002, the Secretary shall ensure that such funds are apportioned for the programs authorized under sections 1101(a)(1), 1101(a)(2), 1101(a)(3), 1101(a)(4), and 1101(a)(5) of the Transportation Equity Act for the 21st Century, as amended, in the same ratio that each State is apportioned funds for such programs in fiscal year 2002 but for this section.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursement for sums expended pursuant to the provisions of 23 U.S.C. 308, $30,000,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

For necessary expenses for the Appalachian Development Highway System as authorized under Section 1069(y) of Public Law 102–240, as amended, $350,000,000, to remain available until expended.

STATE INFRASTRUCTURE BANKS

(RESCISSION)

Of the funds made available for State Infrastructure Banks in Public Law 104–205, $5,750,000 are rescinded.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

MOTOR CARRIER SAFETY

LIMITATION ON ADMINISTRATIVE EXPENSES

(INCLUDING RESCISSION OF FUNDS)

For necessary expenses for administration of motor carrier safety programs and motor carrier safety research, pursuant to section 104(a)(1)(B) of title 23, United States Code, not to exceed $105,000,000 shall be paid in accordance with law from appropriations made available by this Act and from any available take-down balances to the Federal Motor Carrier Safety Administration, together with advances and reimbursements received by the Federal Motor Carrier Safety Administration, of which $5,000,000 is for the motor carrier safety operations program: *Provided*, That such amounts shall be available to carry out the functions and operations of the Federal Motor Carrier Safety Administration.

(RESCISSION)

Of the unobligated balances authorized under 23 U.S.C. 104(a)(1)(B), $6,665,342 are rescinded.

NATIONAL MOTOR CARRIER SAFETY PROGRAM

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out 49 U.S.C. 31102, 31106 and 31309, $204,837,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $183,059,000 for ''Motor Carrier Safety Grants'', and ''Information Systems'': *Provided further*, That notwithstanding any other provision of law, of the $22,837,000 provided under 23 U.S.C. 110, $18,000,000 shall be for border State grants and $4,837,000 shall be for State commercial driver's license program improvements.

Of the unobligated balances authorized under 49 U.S.C. 31102, 31106, and 31309, $2,332,546 are rescinded.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 49, United States Code, and part C of subtitle VI of title 49, United States Code, $132,000,000 of which $96,360,000 shall remain available until September 30, 2004: *Provided*, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 403, to remain available until expended, $72,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2002, are in excess of $72,000,000 for programs authorized under 23 U.S.C. 403.

Of the unobligated balances authorized under 23 U.S.C. 403, $1,516,000 are rescinded.

NATIONAL DRIVER REGISTER

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to the National Driver Register under chapter 303 of title 49, United States Code, $2,000,000, to be derived from the Highway Trust Fund, and to remain available until expended.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

Notwithstanding any other provision of law, for payment of obligations incurred in

carrying out the provisions of 23 U.S.C. 402, 405, 410, and 411 to remain available until expended, $223,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2002, are in excess of $223,000,000 for programs authorized under 23 U.S.C. 402, 405, 410, and 411 of which $160,000,000 shall be for ''Highway Safety Programs'' under 23 U.S.C. 402, $15,000,000 shall be for ''Occupant Protection Incentive Grants'' under 23 U.S.C. 405, $38,000,000 shall be for ''Alcohol-Impaired Driving Countermeasures Grants'' under 23 U.S.C. 410, and $10,000,000 shall be for the ''State Highway Safety Data Grants'' under 23 U.S.C. 411: *Provided further*, That none of these funds shall be used for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That not to exceed $8,000,000 of the funds made available for section 402, not to exceed $750,000 of the funds made available for section 405, not to exceed $1,900,000 of the funds made available for section 410, and not to exceed $500,000 of the funds made available for section 411 shall be available to NHTSA for administering highway safety grants under chapter 4 of title 23, United States Code: *Provided further*, That not to exceed $500,000 of the funds made available for section 410 ''Alcohol-Impaired Driving Countermeasures Grants'' shall be available for technical assistance to the States.

Of the unobligated balances authorized under 23 U.S.C. 402, 405, 410, and 411, $468,600 are rescinded.

FEDERAL RAILROAD ADMINISTRATION

Safety and Operations

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $111,357,000, of which $6,159,000 shall remain available until expended: *Provided*, That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further*, That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation.

Railroad Research and Development

For necessary expenses for railroad research and development, $30,325,000, to remain available until expended.

Railroad Rehabilitation and Improvement Program

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantee commitments shall be made using Federal funds for the credit risk premium during fiscal year 2002.

Next Generation High-Speed Rail

For necessary expenses for the Next Generation High-Speed Rail program as authorized under 49 U.S.C. 26101 and 26102, $40,000,000, to remain available until expended.

Alaska Railroad Rehabilitation

To enable the Secretary of Transportation to make grants to the Alaska Railroad, $20,000,000 shall be for capital rehabilitation and improvements benefiting its passenger operations, to remain available until expended.

National Rail Development and Rehabilitation

To enable the Secretary to make grants and enter into contracts for the development and rehabilitation of freight and passenger rail infrastructure, $12,000,000, to remain available until expended.

Capital Grants to the National Railroad Passenger Corporation

For necessary expenses of capital improvements of the National Railroad Passenger Corporation as authorized by 49 U.S.C. 24104(a), $521,476,000, to remain available until expended.

FEDERAL TRANSIT ADMINISTRATION

Administrative Expenses

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, $13,400,000: *Provided*, That no more than $67,000,000 of budget authority shall be available for these purposes: *Provided further*, That of the funds in this Act available for execution of contracts under section 5327(c) of title 49, United States Code, $2,000,000 shall be reimbursed to the Department of Transportation's Office of Inspector General for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems: *Provided further*, That not to exceed $2,600,000 for the National Transit Database shall remain available until expended.

Formula Grants

For necessary expenses to carry out 49 U.S.C. 5307, 5308, 5310, 5311, 5327, and section 3038 of Public Law 105–178, $718,400,000, to remain available until expended: *Provided*, That no more than $3,592,000,000 of budget authority shall be available for these purposes: *Provided further*, That, notwithstanding any other provision of law, of the funds provided under this heading, $5,000,000 shall be available for grants for the costs of planning, delivery, and temporary use of transit vehicles for special transportation needs and construction of temporary transportation facilities for the VIII Paralympiad for the Disabled, to be held in Salt Lake City, Utah: *Provided further*, That in allocating the funds designated in the preceding proviso, the Secretary shall make grants only to the Utah Department of Transportation, and such grants shall not be subject to any local share requirement or limitation on operating assistance under this Act or the Federal Transit Act, as amended.

University Transportation Research

For necessary expenses to carry out 49 U.S.C. 5505, $1,200,000, to remain available until expended: *Provided*, That no more than $6,000,000 of budget authority shall be available for these purposes.

Transit Planning and Research

For necessary expenses to carry out 49 U.S.C. 5303, 5304, 5305, 5311(b)(2), 5312, 5313(a), 5314, 5315, and 5322, $23,000,000, to remain available until expended: *Provided*, That no more than $116,000,000 of budget authority shall be available for these purposes: *Provided further*, That $5,250,000 is available to provide rural transportation assistance (49 U.S.C. 5311(b)(2)), $4,000,000 is available to carry out programs under the National Transit Institute (49 U.S.C. 5315), $8,250,000 is available to carry out transit cooperative research programs (49 U.S.C. 5313(a)), $55,422,400 is available for metropolitan planning (49 U.S.C. 5303, 5304, and 5305), $11,577,600 is available for State planning (49 U.S.C. 5313(b)); and $31,500,000 is available for the national planning and research program (49 U.S.C. 5314).

Trust Fund Share of Expenses

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for payment of obligations incurred in carrying out 49 U.S.C. 5303–5308, 5310–5315, 5317(b), 5322, 5327, 5334, 5505, and sections 3037 and 3038 of Public Law 105–178, $5,397,800,000, to remain available until expended, and to be derived from the Mass Transit Account of the Highway Trust Fund: *Provided*, That $2,873,600,000 shall be paid to the Federal Transit Administration's formula grants account: *Provided further*, That $93,000,000 shall be paid to the Federal Transit Administration's transit planning and research account: *Provided further*, That $53,600,000 shall be paid to the Federal Transit Administration's administrative expenses account: *Provided further*, That $4,800,000 shall be paid to the Federal Transit Administration's university transportation research account: *Provided further*, That $100,000,000 shall be paid to the Federal Transit Administration's job access and reverse commute grants program: *Provided further*, That $2,272,800,000 shall be paid to the Federal Transit Administration's capital investment grants account.

Capital Investment Grants

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out 49 U.S.C. 5308, 5309, 5318, and 5327, $668,200,000, to remain available until expended: *Provided*, That no more than $2,941,000,000 of budget authority shall be available for these purposes: *Provided further*, That notwithstanding any other provision of law, there shall be available for fixed guideway modernization, $1,136,400,000; there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities, $568,200,000 together with $50,000,000 transferred from ''Federal Transit Administration, Formula grants''; and there shall be available for new fixed guideway systems $1,236,400,000, to be available for transit new starts; to be available as follows:

$192,492 for Denver, Colorado, Southwest corridor light rail transit project;

$3,000,000 for Northeast Indianapolis downtown corridor project;

$3,000,000 for Northern Indiana South Shore commuter rail project;

$15,000,000 for Salt Lake City, Utah, CBD to University light rail transit project;

$6,000,000 for Salt Lake City, Utah, University Medical Center light rail transit extension project;

$2,000,000 for Salt Lake City, Utah, Ogden-Provo commuter rail project;

$4,000,000 for Wilmington, Delaware, Transit Corridor project;

$500,000 for Yosemite Area Regional Transportation System project;

$60,000,000 for Denver, Colorado, Southeast corridor light rail transit project;

$10,000,000 for Kansas City, Missouri, Central Corridor Light Rail transit project;

$25,000,000 for Atlanta, Georgia, MARTA extension project;
$2,000,000 for Maine Marine Highway development project;
$151,069,771 for New Jersey, Hudson-Bergen light rail transit project;
$20,000,000 for Newark-Elizabeth, New Jersey, rail link project;
$3,000,000 for New Jersey Urban Core Newark Penn Station improvements project;
$7,000,000 for Cleveland, Ohio, Euclid corridor extension project;
$2,000,000 for Albuquerque, New Mexico, light rail project;
$35,000,000 for Chicago, Illinois, Douglas branch reconstruction project;
$5,000,000 for Chicago, Illinois, Ravenswood line extension project;
$24,223,268 for St. Louis, Missouri, Metrolink St. Clair extension project;
$30,000,000 for Chicago, Illinois, Metra North central, South West, Union Pacific commuter project;
$10,000,000 for Charlotte, North Carolina, South corridor light rail transit project;
$9,000,000 for Raleigh, North Carolina, Triangle transit project;
$65,000,000 for San Diego, California, Mission Valley East light rail transit extension project;
$10,000,000 for Los Angeles, California, East Side corridor light rail transit project;
$80,605,331 for San Francisco, California, BART extension project;
$9,289,557 for Los Angeles, California, North Hollywood extension project;
$5,000,000 for Stockton, California, Altamont commuter rail project;
$113,336 for San Jose, California, Tasman West, light rail transit project;
$6,000,000 for Nashville, Tennessee, Commuter rail project;
$19,170,000 for Memphis, Tennessee, Medical Center rail extension project;
$150,000 for Des Moines, Iowa, DSM bus feasibility project;
$100,000 for Macro Vision Pioneer, Iowa, light rail feasibility project;
$3,500,000 for Sioux City, Iowa, light rail project;
$300,000 for Dubuque, Iowa, light rail feasibility project;
$2,000,000 for Charleston, South Carolina, Monobeam project;
$5,000,000 for Anderson County, South Carolina, transit system project;
$70,000,000 for Dallas, Texas, North central light rail transit extension project;
$25,000,000 for Houston, Texas, Metro advanced transit plan project;
$4,000,000 for Fort Worth, Texas, Trinity railway express project;
$12,000,000 for Honolulu, Hawaii, Bus rapid transit project;
$10,631,245 for Boston, Massachusetts, South Boston Piers transitway project;
$1,000,000 for Boston, Massachusetts, Urban ring transit project;
$4,000,000 for Kenosha-Racine, Milwaukee Wisconsin, commuter rail extension project;
$23,000,000 for New Orleans, Louisiana, Canal Street car line project;
$7,000,000 for New Orleans, Louisiana, Airport CBD commuter rail project;
$3,000,000 for Burlington, Vermont, Burlington to Middlebury rail line project;
$1,000,000 for Detroit, Michigan, light rail airport link project;
$1,500,000 for Grand Rapids, Michigan, ITP metro area, major corridor project;
$500,000 for Iowa, Metrolink light rail feasibility project;
$6,000,000 for Fairfield, Connecticut, Commuter rail project;
$4,000,000 for Stamford, Connecticut, Urban transitway project;
$3,000,000 for Little Rock, Arkansas, River rail project;
$14,000,000 for Maryland, MARC commuter rail improvements projects;
$3,000,000 for Baltimore, Maryland rail transit project;
$60,000,000 for Largo, Maryland, metrorail extension project;
$18,110,000 for Baltimore, Maryland, central light rail transit double track project;
$24,500,000 for Puget Sound, Washington, Sounder commuter rail project;
$30,000,000 for Fort Lauderdale, Florida, Tri-County commuter rail project;
$8,000,000 for Pawtucket-TF Green, Rhode Island, commuter rail and maintenance facility project;
$1,500,000 for Johnson County, Kansas, commuter rail project;
$20,000,000 for Long Island Railroad, New York, east side access project;
$3,000,000 for New York, New York, Second Avenue subway project;
$4,000,000 for Birmingham, Alabama, transit corridor project;
$5,000,000 for Nashua, New Hampshire-Lowell, Massachusetts, commuter rail project;
$10,000,000 for Pittsburgh, Pennsylvania, North Shore connector light rail extension project;
$16,000,000 for Philadelphia, Pennsylvania, Schuykill Valley metro project;
$20,000,000 for Pittsburgh, Pennsylvania, stage II light rail transit reconstruction project;
$2,500,000 for Scranton, Pennsylvania, rail service to New York City project;
$2,500,000 for Wasilla, Alaska, alternate route project;
$1,000,000 for Ohio, Central Ohio North Corridor rail (COTA) project;
$4,000,000 for Virginia, VRE station improvements project;
$50,000,000 for Twin Cities, Minnesota, Hiawatha Corridor light rail transit project;
$70,000,000 for Portland, Oregon, Interstate MAX light rail transit extension project;
$50,149,000 for San Juan, Tren Urbano project;
$10,296,000 for Alaska and Hawaii Ferry projects.

JOB ACCESS AND REVERSE COMMUTE GRANTS

Notwithstanding section 3037(l)(3) of Public Law 105–178, as amended, for necessary expenses to carry out section 3037 of the Federal Transit Act of 1998, $25,000,000, to remain available until expended: *Provided*, That no more than $125,000,000 of budget authority shall be available for these purposes: *Provided further*, That up to $250,000 of the funds provided under this heading may be used by the Federal Transit Administration for technical assistance and support and performance reviews of the Job Access and Reverse Commute Grants program.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operations and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, $13,345,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, $41,993,000, of which $645,000 shall be derived from the Pipeline Safety Fund, and of which $5,434,000 shall remain available until September 30, 2004: *Provided*, That up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: *Provided further*, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, $58,750,000, of which $11,472,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2003; of which $47,278,000 shall be derived from the Pipeline Safety Fund, of which $30,828,000 shall remain available until September 30, 2004.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2004: *Provided*, That not more than $14,300,000 shall be made available for obligation in fiscal year 2002 from amounts made available by 49 U.S.C. 5116(i) and 5127(d): *Provided further*, That none of the funds made available by 49 U.S.C. 5116(i) and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, $50,614,000: *Provided*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App. 3) to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department: *Provided further*, That the funds made available under this heading shall be used to investigate, pursuant to section 41712 of title 49, United States Code: (1) unfair or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents; and (2) the compliance of domestic and foreign air carriers with respect to item (1) of this proviso.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, $18,457,000: *Provided*, That notwithstanding any other provision of law, not to exceed $950,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used

for necessary and authorized expenses under this heading: *Provided further*, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2002, to result in a final appropriation from the general fund estimated at no more than $17,507,000.

BUREAU OF TRANSPORTATION STATISTICS

OFFICE OF AIRLINE INFORMATION

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses of the Office of Airline Information, under chapter 111 of title 49, United States Code, $3,760,000, to be derived from the Airport and Airway Trust Fund as authorized by Section 103(b) of Public Law 106–181.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $5,015,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–15; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902) $70,000,000, of which not to exceed $2,000 may be used for official reception and representation expenses.

TITLE III—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefore, as authorized by law (5 U.S.C. 5901–5902).

SEC. 302. Such sums as may be necessary for fiscal year 2002 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 303. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 304. None of the funds in this Act shall be available for salaries and expenses of more than 98 political and Presidential appointees in the Department of Transportation.

SEC. 305. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 306. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 307. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 308. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.

SEC. 309. (a) For fiscal year 2002, the Secretary of Transportation shall—

(1) not distribute from the obligation limitation for Federal-aid Highways amounts authorized for administrative expenses and programs funded from the administrative takedown authorized by section 104(a)(1)(A) of title 23, United States Code, for the highway use tax evasion program, amounts provided under section 110 of title 23, United States Code, and for the Bureau of Transportation Statistics;

(2) not distribute an amount from the obligation limitation for Federal-aid Highways that is equal to the unobligated balance of amounts made available from the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid highways and highway safety programs for the previous fiscal year the funds for which are allocated by the Secretary;

(3) determine the ratio that—

(A) the obligation limitation for Federal-aid Highways less the aggregate of amounts not distributed under paragraphs (1) and (2), bears to

(B) the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction programs (other than sums authorized to be appropriated for sections set forth in paragraphs (1) through (7) of subsection (b) and sums authorized to be appropriated for section 105 of title 23, United States Code, equal to the amount referred to in subsection (b)(8)) for such fiscal year less the aggregate of the amounts not distributed under paragraph (1) of this subsection;

(4) distribute the obligation limitation for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) of section 117 of title 23, United States Code (relating to high priority projects program), section 201 of the Appalachian Regional Development Act of 1965, the Woodrow Wilson Memorial Bridge Authority Act of 1995, and $2,000,000,000 for such fiscal year under section 105 of title 23, United States Code (relating to minimum guarantee) so that the amount of obligation authority available for each of such sections is equal to the amount determined by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such section (except in the case of section 105, $2,000,000,000) for such fiscal year;

(5) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraph (4) for each of the programs that are allocated by the Secretary under title 23, United States Code (other than activities to which paragraph (1) applies and programs to which paragraph (4) applies) by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such program for such fiscal year; and

(6) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraphs (4) and (5) for Federal-aid highways and highway safety construction programs (other than the minimum guarantee program, but only to the extent that amounts apportioned for the minimum guarantee program for such fiscal year exceed $2,639,000,000, and the Appalachian development highway system program) that are apportioned by the Secretary under title 23, United States Code, in the ratio that—

(A) sums authorized to be appropriated for such programs that are apportioned to each State for such fiscal year, bear to

(B) the total of the sums authorized to be appropriated for such programs that are apportioned to all States for such fiscal year.

(b) EXCEPTIONS FROM OBLIGATION LIMITATION.—The obligation limitation for Federal-aid Highways shall not apply to obligations: (1) under section 125 of title 23, United States Code; (2) under section 147 of the Surface Transportation Assistance Act of 1978; (3) under section 9 of the Federal-Aid Highway Act of 1981; (4) under sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982; (5) under sections 149(b) and 149(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987; (6) under sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991; (7) under section 157 of title 23, United States Code, as in effect on the day before the date of the enactment of the Transportation Equity Act for the 21st Century; and (8) under section 105 of title 23, United States Code (but, only in an amount equal to $639,000,000 for such fiscal year).

(c) REDISTRIBUTION OF UNUSED OBLIGATION AUTHORITY.—Notwithstanding subsection (a), the Secretary shall after August 1 for such fiscal year revise a distribution of the obligation limitation made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 104 and 144 of title 23, United States Code, section 160 (as in effect on the day before the enactment of the Transportation Equity Act for the 21st Century) of title 23, United States Code, and under section 1015 of the Intermodal Surface Transportation Act of 1991 (105 Stat. 1943–1945).

(d) APPLICABILITY OF OBLIGATION LIMITATIONS TO TRANSPORTATION RESEARCH PROGRAMS.—The obligation limitation shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code, except that obligation authority made available for such programs under such limitation shall remain available for a period of 3 fiscal years.

(e) REDISTRIBUTION OF CERTAIN AUTHORIZED FUNDS.—Not later than 30 days after the date of the distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds: (1) that are authorized to be appropriated for such fiscal year for Federal-aid highways programs (other than the program under section 160 of title 23, United States Code) and for carrying out subchapter I of chapter 311 of title 49, United States Code, and highway-related programs under chapter 4 of title 23, United States Code; and (2) that the Secretary determines will not be allocated to the States, and will not be available for obligation, in

such fiscal year due to the imposition of any obligation limitation for such fiscal year. Such distribution to the States shall be made in the same ratio as the distribution of obligation authority under subsection (a)(6). The funds so distributed shall be available for any purposes described in section 133(b) of title 23, United States Code.

(f) SPECIAL RULE.—Obligation limitation distributed for a fiscal year under subsection (a)(4) of this section for a section set forth in subsection (a)(4) shall remain available until used and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

SEC. 310. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

SEC. 311. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 312. None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 313. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport-aid program, airport development aid program or airport improvement program grant. The Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by FAA in accordance with agency criteria.

SEC. 314. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under ''Federal Transit Administration, Capital investment grants'' for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2004, and other recoveries, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 315. The Secretary of Transportation shall, in cooperation with the Federal Aviation Administrator, encourage a locally developed and executed plan between the State of Illinois, the City of Chicago, and affected communities for the purpose of modernizing O'Hare International Airport, addressing traffic congestion along the Northwest Corridor including western airport access, and moving forward with a third Chicago-area airport. If such a plan cannot be developed and executed by said parties, the Secretary and the Administrator shall work with Congress to enact a federal solution to address the aviation capacity crisis in the Chicago area.

SEC. 316. Notwithstanding any other provision of law, any funds appropriated before October 1, 2001, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 317. None of the funds in this Act may be used to compensate in excess of 335 technical staff-years under the federally funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 2002.

SEC. 318. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's ''Federal-Aid Highways'' account, the Federal Transit Administration's ''Transit Planning and Research'' account, and to the Federal Railroad Administration's ''Safety and Operations'' account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 319. Effective on the date of enactment of this Act, of the funds made available under section 1101(a)(12) of Public Law 105–178, as amended, $9,231,000 are rescinded.

SEC. 320. Beginning in fiscal year 2002 and thereafter, the Secretary may use up to 1 percent of the amounts made available to carry out 49 U.S.C. 5309 for oversight activities under 49 U.S.C. 5327.

SEC. 321. Funds made available for Alaska or Hawaii ferry boats or ferry terminal facilities pursuant to 49 U.S.C. 5309(m)(2)(B) may be used to construct new vessels and facilities, or to improve existing vessels and facilities, including both the passenger and vehicle-related elements of such vessels and facilities, and for repair facilities: *Provided*, That not more than $3,000,000 of the funds made available pursuant to 49 U.S.C. 5309(m)(2)(B) may be used by the State of Hawaii to initiate and operate a passenger ferryboat services demonstration project to test the viability of different intra-island and inter-island ferry routes.

SEC. 322. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to 49 U.S.C. 111 may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: *Provided*, That such funds shall be subject to the obligation limitation for Federal-aid highways and highway safety construction.

SEC. 323. Section 3030(a) of the Transportation Equity Act for the 21st Century (Public Law 105–178) is amended by adding at the end, the following line: ''Washington County—Wilsonville to Beaverton commuter rail.''.

SEC. 324. Section 3030(b) of the Transportation Equity Act for the 21st Century (Public Law 105–178) is amended by adding at the end the following: ''Detroit, Michigan Metropolitan Airport rail project.''.

SEC. 325. None of the funds in this Act may be obligated or expended for employee training which: (a) does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties; (b) contains elements likely to induce high levels of emotional response or psychological stress in some participants; (c) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluations; (d) contains any methods or content associated with religious or quasi-religious belief systems or ''new age'' belief systems as defined in Equal Employment Opportunity Commission Notice N–915.022, dated September 2, 1988; (e) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or (f) includes content related to human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

SEC. 326. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegraph, telephone, letter, printed or written material, radio, television, video presentation, electronic communications, or other device, intended or designed to influence in any manner a Member of Congress or of a State legislature to favor or oppose by vote or otherwise, any legislation or appropriation by Congress or a State legislature after the introduction of any bill or resolution in Congress proposing such legislation or appropriation, or after the introduction of any bill or resolution in a State legislature proposing such legislation or appropriation: *Provided*, That this shall not prevent officers or employees of the Department of Transportation or related agencies funded in this Act from communicating to Members of Congress or to Congress, on the request of any Member, or to members of State legislature, or to a State legislature, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of business.

SEC. 327. (a) IN GENERAL.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c).

(b) SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a ''Made in America'' inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 328. Notwithstanding any other provision of law, the Commandant of the United States Coast Guard shall maintain an on-board staffing level at the Coast Guard Yard in Curtis Bay, Maryland of not less than 530 full time equivalent civilian employees: *Provided*, That the Commandant may reconfigure his vessel maintenance schedule and new construction projects to maximize employment at the Coast Guard Yard.

SEC. 329. Rebates, refunds, incentive payments, minor fees and other funds received by the Department from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources are to be credited to appropriations of the Department and allocated to elements of the Department using fair and equitable criteria and such funds shall be available until December 31, 2002.

SEC. 330. For necessary expenses of the Amtrak Reform Council authorized under section 203 of Public Law 105–134, $420,000, to remain available until September 30, 2003.

SEC. 331. In addition to amounts otherwise made available under this Act, to enable the Secretary of Transportation to make grants for surface transportation projects, $20,000,000, to remain available until expended.

SEC. 332. Section 648 of title 14, United States Code, is amended by striking the words ''or such similar Coast Guard industrial establishments''; and inserting after the words ''Coast Guard Yard'': ''and other Coast Guard specialized facilities''. This paragraph is now labeled ''(a)'' and a new paragraph ''(b)'' is added to read as follows:

''(b) For providing support to the Department of Defense, the Coast Guard Yard and other Coast Guard specialized facilities designated by the Commandant shall qualify as components of the Department of Defense for competition and workload assignment purposes. In addition, for purposes of entering into joint public-private partnerships and other cooperative arrangements for the performance of work, the Coast Guard Yard and other Coast Guard specialized facilities may enter into agreements or other arrangements, receive and retain funds from and pay funds to such public and private entities, and may accept contributions of funds, materials, services, and the use of facilities from such entities. Amounts received under this subsection may be credited to appropriate Coast Guard accounts for fiscal year 2002 and for each fiscal year thereafter.''.

SEC. 333. None of the funds in this Act may be used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than three full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the department or its modal administrations from: (1) any discretionary grant program of the Federal Highway Administration other than the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; or (3) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: *Provided,* That no notification shall involve funds that are not available for obligation.

SEC. 334. INCREASE IN MOTOR CARRIER FUNDING. (a) IN GENERAL.—Notwithstanding any other provision of law, whenever an allocation is made of the sums authorized to be appropriated for expenditure on the Federal lands highway program, and whenever an apportionment is made of the sums authorized to be appropriated for expenditure on the surface transportation program, the congestion mitigation and air quality improvement program, the National Highway System, the Interstate maintenance program, the bridge program, the Appalachian development highway system, and the minimum guarantee program, the Secretary of Transportation shall deduct a sum in such amount not to exceed two-fifths of 1 percent of all sums so made available, as the Secretary determines necessary, to administer the provisions of law to be financed from appropriations for motor carrier safety programs and motor carrier safety research. The sum so deducted shall remain available until expended.

(b) EFFECT.—Any deduction by the Secretary of Transportation in accordance with this paragraph shall be deemed to be a deduction under section 104(a)(1)(B) of title 23, United States Code.

SEC. 335. For an airport project that the Administrator of the Federal Aviation Administration (FAA) determines will add critical airport capacity to the national air transportation system, the Administrator is authorized to accept funds from an airport sponsor, including entitlement funds provided under the ''Grants-in-Aid for Airports'' program, for the FAA to hire additional staff or obtain the services of consultants: *Provided,* That the Administrator is authorized to accept and utilize such funds only for the purpose of facilitating the timely processing, review, and completion of environmental activities associated with such project.

SEC. 336. None of the funds made available in this Act may be used to further any efforts toward developing a new regional airport for southeast Louisiana until a comprehensive plan is submitted by a commission of stakeholders to the Administrator of the Federal Aviation Administration and that plan, as approved by the Administrator, is submitted to and approved by the Senate Committee on Appropriations and the House Committee on Appropriations.

SEC. 337. Section 8335(a) of title 5, United States Code, is amended by inserting the following before the period in the first sentence: ''if the controller qualifies for an immediate annuity at that time. If not eligible for an immediate annuity upon reaching age 56, the controller may work until the last day of the month in which the controller becomes eligible for a retirement annuity unless the Secretary determines that such action would compromise safety''.

SEC. 338. Notwithstanding any other provision of law, States may use funds provided in this Act under Section 402 of Title 23, United States Code, to produce and place highway safety public service messages in television, radio, cinema and print media, and on the Internet in accordance with guidance issued by the Secretary of Transportation: *Provided,* That any State that uses funds for such public service messages shall submit to the Secretary a report describing and assessing the effectiveness of the messages: *Provided further,* That $15,000,000 designated for innovative grant funds under Section 157 of Title 23, United States Code shall be used for national television and radio advertising to support the national law enforcement mobilizations conducted in all 50 states, aimed at increasing safety belt and child safety seat use and controlling drunk driving.

SEC. 339. Section 1023(h) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note) is amended—

(1) in the subsection heading, by inserting ''OVER-THE-ROAD BUSES AND'' before ''PUBLIC'';

(2) in paragraph (1), by striking ''to any vehicle which'' and inserting the following: ''to—

''(A) any over-the-road bus; or

''(B) any vehicle that''; and

(3) by striking paragraphs (2) and (3) and inserting the following:

''(2) STUDY AND REPORT CONCERNING APPLICABILITY OF MAXIMUM AXLE WEIGHT LIMITATIONS TO OVER-THE-ROAD BUSES AND PUBLIC TRANSIT VEHICLES.—

''(A) STUDY AND REPORT.—Not later than July 31, 2003, the Secretary shall conduct a study of, and submit to Congress a report on, the maximum axle weight limitations applicable to vehicles using the Dwight D. Eisenhower National System of Interstate and Defense Highways established under section 127 of title 23, United States Code, or under State law, as the limitations apply to over-the-road buses and public transit vehicles.

''(B) DETERMINATION OF APPLICABILITY OF VEHICLE WEIGHT LIMITATIONS.—

''(i) IN GENERAL.—The report shall include—

''(I) a determination concerning how the requirements of section 127 of that title should be applied to over-the-road buses and public transit vehicles; and

''(II) short-term and long-term recommendations concerning the applicability of those requirements.

''(ii) CONSIDERATIONS.—In making the determination described in clause (i)(I), the Secretary shall consider—

''(I) vehicle design standards;

''(II) statutory and regulatory requirements, including—

''(aa) the Clean Air Act (42 U.S.C. 7401 et seq.);

''(bb) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

''(cc) motor vehicle safety standards prescribed under chapter 301 of title 49, United States Code; and

''(III)(aa) the availability of lightweight materials suitable for use in the manufacture of over-the-road buses;

''(bb) the cost of those lightweight materials relative to the cost of heavier materials in use as of the date of the determination; and

''(cc) any safety or design considerations relating to the use of those materials.

''(C) ANALYSIS OF MEANS OF ENCOURAGING DEVELOPMENT AND MANUFACTURE OF LIGHTWEIGHT BUSES.—The report shall include an analysis of, and recommendations concerning, means to be considered to encourage the development and manufacture of lightweight buses, including an analysis of—

''(i) potential procurement incentives for public transit authorities to encourage the purchase of lightweight public transit vehicles using grants from the Federal Transit Administration; and

''(ii) potential tax incentives for manufacturers and private operators to encourage the purchase of lightweight over-the-road buses.

''(D) ANALYSIS OF CONSIDERATION IN RULEMAKINGS OF ADDITIONAL VEHICLE WEIGHT.—The report shall include an analysis of, and recommendations concerning, whether Congress should require that each rulemaking by an agency of the Federal Government that affects the design or manufacture of motor vehicles consider—

''(i) the weight that would be added to the vehicle by implementation of the proposed rule;

''(ii) the effect that the added weight would have on pavement wear; and

''(iii) the resulting cost to the Federal Government and State and local governments.

''(E) COST-BENEFIT ANALYSIS.—The report shall include an analysis relating to the axle weight of over-the-road buses that compares—

''(i) the costs of the pavement wear caused by over-the-road buses; with

''(ii) the benefits of the over-the-road bus industry to the environment, the economy, and the transportation system of the United States.

''(3) DEFINITIONS.—In this subsection:

''(A) OVER-THE-ROAD BUS.—The term 'over-the-road bus' has the meaning given the term in section 301 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181).

''(B) PUBLIC TRANSIT VEHICLE.—The term 'public transit vehicle' means a vehicle described in paragraph (1)(B).''.

SEC. 340. None of the funds in this Act shall be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide to the Federal Aviation Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to air traffic control, air navigation or weather reporting. The prohibition of funds in this section does not apply to negotiations between the Agency and airport sponsors to achieve agreement on ''below-market'' rates for these items or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

SEC. 341. None of the funds provided in this Act or prior Appropriations Acts for Coast Guard ''Acquisition, construction, and improvements'' shall be available after the fifteenth day of any quarter of any fiscal year, unless the Commandant of the Coast Guard first submits a quarterly report to the House and Senate Committees on Appropriations on all major Coast Guard acquisition projects including projects executed for the Coast Guard by the United States Navy and vessel traffic service projects: *Provided*, That such reports shall include an acquisition schedule, estimated current and year funding requirements, and a schedule of anticipated obligations and outlays for each major acquisition project: *Provided further*, That such reports shall rate on a relative scale the cost risk, schedule risk, and technical risk associated with each acquisition project and include a table detailing unobligated balances to date and anticipated unobligated balances at the close of the fiscal year and the close of the following fiscal year should the Administration's pending budget request for the acquisition, construction, and improvements account be fully funded: *Provided further*, That such reports shall also provide abbreviated information on the status of shore facility construction and renovation projects: *Provided further*, That all information submitted in such reports shall be current as of the last day of the preceding quarter.

SEC. 342. Funds provided in this Act for the Transportation Administrative Service Center (TASC) shall be reduced by $37,000,000, which limits fiscal year 2002 TASC obligational authority for elements of the Department of Transportation funded in this Act to no more than $88,323,000: *Provided*, That such reductions from the budget request shall be allocated by the Department of Transportation to each appropriations account in proportion to the amount included in each account for the Transportation Administrative Service Center.

SEC. 343. SAFETY OF CROSS-BORDER TRUCKING BETWEEN UNITED STATES AND MEXICO. No funds limited or appropriated in this Act may be obligated or expended for the review or processing of an application by a Mexican motor carrier for authority to operate beyond United States municipalities and commercial zones on the United States-Mexico border until—

(1) the Federal Motor Carrier Safety Administration—

(A) performs a full safety compliance review of the carrier consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, and gives the carrier a satisfactory rating before granting conditional and, again, before granting permanent authority to any such carrier;

(B) requires that any such safety compliance review take place onsite at the Mexican motor carrier's facilities;

(C) requires Federal and State inspectors to verify electronically the status and validity of the license of each driver of a Mexican motor carrier commercial vehicle crossing the border;

(D) gives a distinctive Department of Transportation number to each Mexican motor carrier operating beyond the commercial zone to assist inspectors in enforcing motor carrier safety regulations including hours-of-service rules under part 395 of title 49, Code of Federal Regulations;

(E) requires State inspectors whose operations are funded in part or in whole by Federal funds to check for violations of Federal motor carrier safety laws and regulations, including those pertaining to operating authority and insurance;

(F) requires State inspectors who detect violations of Federal motor carrier safety laws or regulations to enforce them or notify Federal authorities of such violations;

(G) equips all United States-Mexico border crossings with Weigh-In-Motion (WIM) systems as well as fixed scales suitable for enforcement action and requires that inspectors verify by either means the weight of each commercial vehicle entering the United States at such a crossing;

(H) the Federal Motor Carrier Safety Administration has implemented a policy to ensure that no Mexican motor carrier will be granted authority to operate beyond United States municipalities and commercial zones on the United States-Mexico border unless that carrier provides proof of valid insurance with an insurance company licensed and based in the United States; and

(I) publishes in final form regulations—

(i) under section 210(b) of the Motor Carrier Safety Improvement Act of 1999 (49 U.S.C. 31144 nt.) that establish minimum requirements for motor carriers, including foreign motor carriers, to ensure they are knowledgeable about Federal safety standards, that include the administration of a proficiency examination;

(ii) under section 31148 of title 49, United States Code, that implement measures to improve training and provide for the certification of motor carrier safety auditors;

(iii) under sections 218(a) and (b) of that Act (49 U.S.C. 31133 nt.) establishing standards for the determination of the appropriate number of Federal and State motor carrier inspectors for the United States-Mexico border;

(iv) under section 219(d) of that Act (49 U.S.C. 14901 nt.) that prohibit foreign motor carriers from leasing vehicles to another carrier to transport products to the United States while the lessor is subject to a suspension, restriction, or limitation on its right to operate in the United States;

(v) under section 219(a) of that Act (49 U.S.C. 14901 nt.) that prohibit foreign motor carriers from operating in the United States that is found to have operated illegally in the United States; and

(vi) under which a commercial vehicle operated by a Mexican motor carrier may not enter the United States at a border crossing unless an inspector is on duty; and

(2) the Department of Transportation Inspector General certifies in writing that—

(A) all new inspector positions funded under this Act have been filled and the inspectors have been fully trained;

(B) each inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, is fully trained as a safety specialist;

(C) the requirement of subparagraph (B) has not been met by transferring experienced inspectors from other parts of the United States to the United States-Mexico border, undermining the level of inspection coverage and safety elsewhere in the United States;

(D) the Federal Motor Carrier Safety Administration has implemented a policy to ensure compliance with hours-of-service rules under part 395 of title 49, Code of Federal Regulations, by Mexican motor carriers seeking authority to operate beyond United States municipalities and commercial zones on the United States-Mexico border;

(E) the information infrastructure of the Mexican government is sufficiently accurate, accessible, and integrated with that of U.S. law enforcement authorities to allow U.S. authorities to verify the status and validity of licenses, vehicle registrations, operating authority and insurance of Mexican motor carriers while operating in the United States, and that adequate telecommunications links exist at all United States-Mexico border crossings used by Mexican motor carrier commercial vehicles, and in all mobile enforcement units operating adjacent to the border, to ensure that licenses, vehicle registrations, operating authority and insurance information can be easily and quickly verified at border crossings or by mobile enforcement units;

(F) there is adequate capacity at each United States-Mexico border crossing used by Mexican motor carrier commercial vehicles to conduct a sufficient number of meaningful vehicle safety inspections and to accommodate vehicles placed out-of-service as a result of said inspections;

(G) there is an accessible database containing sufficiently comprehensive data to allow safety monitoring of all Mexican motor carriers that apply for authority to operate commercial vehicles beyond United States municipalities and commercial zones on the United States-Mexico border and the drivers of those vehicles; and

(H) measures are in place in Mexico, similar to those in place in the United States, to ensure the effective enforcement and monitoring of license revocation and licensing procedures.

For purposes of this section, the term ''Mexican motor carrier'' shall be defined as a Mexico-domiciled motor carrier operating beyond United States municipalities and commercial zones on the United States-Mexico border.

SEC. 344. Notwithstanding any other provision of law, for the purpose of calculating the non-federal contribution to the net project cost of the Regional Transportation Commission Resort Corridor Fixed Guideway Project in Clark County, Nevada, the Secretary of Transportation shall include all non-federal contributions (whether public or private) made on or after January 1, 2000 for engineering, final design, and construction of any element or phase of the project, including any fixed guideway project or segment connecting to that project, and also shall allow non-federal funds (whether public or private) expended on one element or phase of the project to be used to meet the non-federal share requirement of any element or phase of the project.

SEC. 345. Item 1348 of the table contained in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 306) is amended by striking ''Extend West Douglas Road'' and inserting ''Second Douglas Island Crossing''.

SEC. 346. Item 642 in the table contained in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 281), relating to Washington, is amended by striking ''Construct passenger ferry facility to serve Southworth, Seattle'' and inserting ''Passenger only ferry to serve Kitsap County-Seattle''.

Item 1793 in section 1602 of the Transportation Equity Act for the 21st Century (112 Stat. 322), relating to Washington, is amended by striking ''Southworth Seattle Ferry'' and inserting ''Passenger only ferry to serve Kitsap County-Seattle''.

SEC. 347. Notwithstanding any other provision of law, historic covered bridges eligible for Federal assistance under section 1224 of the Transportation Equity Act for the 21st Century, as amended, may be funded from amounts set aside for the discretionary bridge program.

SEC. 348. (a) Item 143 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–456) is amended by striking ''Northern New Mexico park and ride facilities'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

(b) Item 167 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106–69; 113 Stat. 1006) is amended by striking ''Northern New Mexico Transit Express/Park and Ride buses'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

SEC. 349. Beginning in fiscal year 2002 and thereafter, notwithstanding 49 U.S.C. 41742, no essential air service subsidies shall be provided to communities in the United States (except Alaska) that are located fewer than 100 highway miles from the nearest large or medium hub airport, or fewer than 70 highway miles from the nearest small hub airport, or fewer than 50 highway miles from the nearest airport providing scheduled service with jet aircraft; or that require a rate of subsidy per passenger in excess of $200 unless such point is greater than 210 miles from the nearest large or medium hub airport.

This Act may be cited as the ''Department of Transportation and Related Agencies Appropriations Act, 2002''.

SA 1026. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes; as follows:

On page 8, insert between lines 9 and 10 the following:

(e) EFFECTIVE DATE.—This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 9, lines 13 and 14, strike ''as increased by section 2 of Public Law 106–57'' and insert ''as adjusted by law and in effect on September 30, 2001''.

On page 15, insert between lines 9 and 10 the following:

(d) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 16, add after line 21 the following:

(f) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 17, line 21, strike ''$55,000,000'' and insert ''$54,000,000''.

On page 17, line 25, insert ''after the date'' after ''days''.

On page 17, line 25, insert before the period the following: '': *Provided further*, That notwithstanding any other provision of law and subject to the availability of appropriations, the Architect of the Capitol is authorized to secure, through multi-year rental, lease, or other appropriate agreement, the property located at 67 K Street, S.W., Washington, D.C., for use of Legislative Branch agencies, and to incur any necessary incidental expenses including maintenance, alterations, and repairs in connection therewith: *Provided further*, That in connection with the property referred to under the preceding proviso, the Architect of the Capitol is authorized to expend funds appropriated to the Architect of the Capitol for the purpose of the operations and support of Legislative Branch agencies, including the United States Capitol Police, as may be required for that purpose''.

On page 33, line 6, strike ''$419,843,000'' and insert ''$420,843,000''.

On page 34, line 4, insert before the period the following: ''*Provided further*, That $1,000,000 from funds made available under this heading shall be available for a pilot program in technology assessment: *Provided further*, That not later than June 15, 2002, a report on the pilot program referred to under the preceding proviso shall be submitted to Congress''.

On page 38, line 15, strike ''to read''.

On page 39, line 2, insert ''pay'' before ''periods''.

SA 1027. Mr. SPECTER proposed an amendment to the bill S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes; as follows:

At the appropriate place, insert the following:

MAILINGS FOR TOWN MEETINGS

For mailings of postal patron postcards by Members for the purpose of providing notice of a town meeting by a Member in a county (or equivalent unit of local government) with a population of less than 50,000 that the Member will personally attend to be allotted as requested, $3,000,000, subject to authorization: *Provided* That any amount allocated to a Member for such mailing under this paragraph shall not exceed 50 percent of the cost of the mailing and the remaining costs shall be paid by the Member from other funds available to the Member.''.

On page 33, line 6, strike ''$419,843,000'' and insert ''$416,843,000''.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce, for the information of the Senate and the public, that the Committee on Energy and Natural Resources has scheduled two hearings to receive testimony on legislative proposals relating to comprehensive electricity restructuring, including electricity provisions of S. 388 and S. 597, and electricity provisions contained in S. 1273 and S. 2098 of the 106th Congress.

The hearings will take place on Wednesday, July 25, at 9:30 a.m., in room 366 of the Dirksen Senate Office Building, and Thursday, July 26, at 9:45 a.m., in room 106 of the Dirksen Senate Office Building.

Those wishing to submit written statements on the legislation should address them to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention, Leon Lowery.

For further information, please call Leon Lowery at 202/224–2209.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 19, 2001. The purpose of this hearing will be to discuss the nutrition title of the next Federal farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 9:30 a.m., in open session to continue to receive testimony on ballistic missile defense programs and policies, in review of the Defense authorization request for fiscal year 2002.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on July 19, 2001, to conduct a hearing on the nomination of Mr. Harvey L. Pitt to be Chairman of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 19, at 9:30 a.m., to conduct a hearing. The committee will receive testimony on proposals related to removing barriers to distributed generation, renewable energy, and other advanced technologies in electricity generation and transmission, including section 301 and title VI of S. 597, the Comprehensive and Balanced Energy Policy Act of 2001; sections 110, 111, 112, 710, and 711 of S. 388, the National Energy Security Act of 2001; and S. 933, the Combined Heat and Power Advancement Act of 2001. The committee will also receive testimony on proposals relating to the hydroelectric relicensing procedures of the Federal Energy Regulatory Commission, including title VII of S. 388, title VII of S. 597; and S. 71, the Hydroelectric Licensing Process Improvement Act of 2001.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, July 19, 2001, to hear testimony on Trade Adjustment Assistance.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 19, at 10 a.m., to hold a hearing titled, ''Mexico City Policy: Effects of Restrictions on International Family Planning Funding''.

WITNESSES

Panel 1: The Honorable Tim Hutchinson, United States Senate, Washington, DC; The Honorable Nita M. Lowey, United States House of Representatives, Washington, DC; The Honorable Harry Reid, United States Senate, Washington, DC.

Panel 2: Mr. Alan J. Kreczko, Acting Assistant Secretary of the Bureau of Population, Refugees and Migration, State Department, Washington, DC.

Panel 3: Mr. Daniel E. Pellegrom, President, Pathfinder International, Watertown, MA; Dr. Nicholas N. Eberstadt, Visiting Scholar, American Enterprise Institute, Washington, DC; Mr. Aryeh Neier, President, Open Society Institute, New York, NY; Cathy Cleaver, Director of Planning & Information, U.S. Conference of Catholic Bishops, Washington, DC.

Panel 4: Dr. Nirmal Bista, Director General, Family Planning Association of Nepal, Kathmandu, Nepal; Ms. Susana Silva Galdos, President, Movimiento Manuela Ramos, Lima, Peru; Professor M. Sophia Aguirre, The Catholic University of America, Department of Business Economics, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 2:30 p.m., to hold a nomination hearing.

NOMINEES

Panel 1: Mr. Stuart A. Bernstein, of the District of Columbia, to be Ambassador to Denmark. Mr. Michael E. Guest, of South Carolina, to be Ambassador to Romania. Mr. Charles A. Heimbold, Jr., of Connecticut, to be Ambassador to Sweden. Mr. Thomas J. Miller, of Virginia, to be Ambassador to Greece.

Panel 2: The Honorable Larry C. Napper, of Texas, to be Ambassador to the Republic of Kazakhstan. Mr. Jim Nicholson, of Colorado, to be Ambassador to the Holy See. Mr. Mercer Reynolds, of Ohio, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein.

The PRESIDING OFFICER. Without objection, it so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, July 19, 2001, at 10 a.m., in SD226.

I. Nominations: Ralph F. Boyd Jr. to be Assistant Attorney General, Civil Rights Division; Robert D. McCallum Jr. to be Assistant Attorney General, Civil Division.

II. Bills: S. 407, The Madrid Protocol Implementation Act [Leahy/Hatch]; S. 778. A bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings. [Kennedy/Hagel]; S. 754, Drug Competition Act of 2001.

III. Commemorative Legislation: S. Res. 16, A resolution designating August 16, 2001, as ''National Airborne Day.'' [Thurmond]: S. Con. Res. 16, A concurrent resolution expressing the sense of Congress that the George Washington letter to Touro Synagogue in Newport, Rhode Island, which is on display at the B'nai B'rith Klutznick National Jewish Museum in Washington, D.C., is one of the most significant early statements buttressing the nascent American constitutional guarantee of religious freedom. [Chafee/Reed].

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate on Thursday, July 19, 2001, beginning at 9:15 a.m., in room 428A of the Russell Senate Office Building to markup pending legislation to be immediately followed by a hearing regarding the President's nomination of Hector V. Barreto, Jr., to be Administrator of the U.S. Small Business Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 1 p.m., in room 418 of the Russell Senate Office Building, for a hearing on S. 739, the Heather French Henry Homeless Veterans Assistance Act, and other pending health-care related legislation.

COMMITTEE ON VETERANS' AFFAIRS—UNITED STATES SENATE

HEARING ON PENDING VETERANS HEALTH-RELATED LEGISLATION, JULY 19, 2001

Agenda

S. 739: Provisions to improve programs for homeless veterans. Sponsor: Senator Wellstone.

a. Encourages all Federal, State, and local departments and agencies and other entities and individuals to work toward the national goal of ending homelessness among veterans within a decade.

b. Establishes within the Department of Veterans Affairs the Advisory Committee on Homeless Veterans.

c. Directs the Secretary of Veterans Affairs to: (1) support the continuation within the Department of at least one center to monitor the structure, process, and outcome of Department programs addressing homeless veterans; and (2) assign veterans receiving specified services provided in, or sponsored or coordinated by, the Department as being within the ''complex care'' category.

d. Directs the Secretary to: (1) make grants to Department health care facilities and to grant and per diem providers for the development of programs targeted at meeting certain special needs of homeless veterans; (2) require certain officials to initiate a plan for joint outreach to veterans at risk of homelessness; (3) carry out two treatment trials in integrated mental health services delivery; (4) ensure that each Department primary care facility has a mental health treatment capacity; (5) carry out a program of transitional assistance grants to eligible homeless veterans; and (6) make technical assistance grants to aid nonprofit community-based groups in applying for homeless program grants.

e. Extends through FY 2006 the homeless veterans reintegration program.

S. 1188: Provisions to improve recruitment and retention of VA nurses. Sponsors: Senators Rockefeller, Cleland.

a. Modifies the VA Employee Incentive Scholarship Program and Debt Reduction Program;

b. Mandates that VA provide Saturday premium pay to title 5/title 38 hybrids;

c. Requires a report on VA's use of authority to request waivers of the pay reduction for re-employed annuitants;

d. Gives VA nurses enrolled in the Federal Employee Retirement System the same ability to use unused sick leave as part of the retirement year calculation that VA nurses enrolled in the Civilian Retirement System have.

e. Requires an evaluation of nurse-managed clinics, including primary care and geriatric clinics;

f. Requires VA to develop a nationwide policy on staffing standards to ensure that veterans are provided with safe and high quality care. Such staffing standards should consider the numbers and skill mix required of staff in specific medical settings (such as critical care and long-term care);

g. Requires a report on the use of mandatory overtime by licensed nursing staff and nursing assistants in each facility;

h. Elevates the office of the Nurse Consultant so that person shall report directly to the Under Secretary for Health;

i. Exempts registered nurses, physician assistants, and expanded-function dental auxiliaries from the requirement that part-time service performed prior to April 7, 1986, be prorated when calculating retirement annuities;

j. Requires a report on VA's nurse qualification standards;

k. Makes technical clarifications to the nurse locality pay authorities.

S. 1160: Authorizes VA to provide certain hearing-impaired veterans and veterans with spinal cord injury or dysfunction, in addition to blind veterans, with service dogs to assist them with everyday activities. Sponsor: Senator Rockefeller.

S. : Draft legislation to change the means test used by the VA in determining whether veterans will be placed in enrollment priority group 5 or 7. The current placement eligibility threshold is set at approximately $24,000 regardless of where in the country the veteran is living (text forthcoming). Sponsor: .

S. 1042: Provides that within the limits of Department facilities, VA shall furnish hospital and nursing home care and medical services to Commonwealth Army veterans and new Philippine Scouts in the same manner as provided for under section 1710 of title 38 USC. Also authorizes VA to furnish care and services to the same veterans for the treatment of the service-connected disabilities and non-service-connected disabilities of such veterans and scouts residing in the Republic of the Philippines on an outpatient basis at the Manila VA Outpatient Clinic. Sponsor: Senator Inouye.

S. Res. 61: Expresses the sense of the Senate that the Secretary of Veterans Affairs should, for the payment of special pay by the Veterans Health Administration, recognize board certifications from the American Association of Physician Specialists, Inc., to the same extent that the Secretary recognizes board certifications from the American Board of Osteopathic Specialists. Sponsor: Senator Hutchinson.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee

on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 2:30 p.m., in open session to receive testimony on Army modernization and transformation, in review of the Defense authorization request for fiscal year 2002.

The PRESIDING OFFICER. Without objection, it is ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 19, at 2:30 p.m., to conduct a hearing. The subcommittee will receive testimony on S. 976, the California Ecosystem, Water Supply, and Water Quality Enhancement Act of 2001.

The PRESIDING OFFICER. Without objection, it is so ordered.

FLOOR PRIVILEGE

Mr. DURBIN. Mr. President, I ask unanimous consent that David Sarokin, a detailee on my staff, be given privileges of the floor today and any subsequent days during which the nomination of John Graham is being considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that on Friday, July 20, at 9:15 a.m. the Senate proceed to executive session to consider en bloc the nominations of Roger Gregory, Sam Haddon, and Richard Cebull; that there be 30 minutes for debate equally divided between Senators LEAHY and HATCH, or their designees; that at 9:45 a.m. the Senate vote on the Gregory nomination to be followed by a vote on the Haddon nomination, to be followed by a vote on the Cebull nomination; that upon the disposition of these nominations the Senate consider and confirm Calendar Nos. 247 and 249; that the motions to reconsider all of the above votes be tabled, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I further ask unanimous consent that after the first vote there be 10-minute votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations, Calendar Nos. 202, 211, 212, 236 through 240, 242, 243, and 244; that the HELP Committee be discharged from consideration of the following nominations: Laurie Rich, Assistant Secretary for Intergovernmental and Interagency Affairs; Robert Pasternak, Assistant Secretary for Special Education; Joanne Wilson, Commissioner for Rehabilitation Services Administration; Carl D'Amico, Assistant Secretary for Vocational and Adult Education; Cari Dominguez, to be a member of the Equal Employment Opportunity Commission; that the nominations be confirmed en bloc, the motions to reconsider be laid on the table, and any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed as follows:

DEPARTMENT OF DEFENSE

Susan Morrisey Livingstone, of Montana, to be Under Secretary of the Navy.

Alberto Jose Mora, of Virginia, to be General Counsel of the Department of the Navy.

Stephen A. Cambone, of Virginia, to be Deputy Under Secretary of Defense for Policy.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Kevin Keane, of Wisconsin, to be an Assistant Secretary of Health and Human Services.

DEPARTMENT OF COMMERCE

William Henry Lash, III, of Virginia, to be an Assistant Secretary of Commerce.

DEPARTMENT OF THE TREASURY

Brian Carlton Roseboro, of New Jersey, to be an Assistant Secretary of the Treasury.

EXECUTIVE OFFICE OF THE PRESIDENT

Allen Frederick Johnson of Iowa, to be Chief Agricultural Negotiator, Office of the United States Trade Representative, with the rank of Ambassador.

DEPARTMENT OF TRANSPORTATION

Allan Rutter, of Texas, to be Administrator of the Federal Railroad Administration.

DEPARTMENT OF COMMERCE

Samuel W. Bodman, of Massachusetts, to be Deputy Secretary of Commerce.

EXECUTIVE OFFICE OF THE PRESIDENT

Mark B. McClelland, of California, to be a Member of the Council of Economic Advisers.

DEPARTMENT OF THE TREASURY

Sheila C. Blair, of Kansas, to be an Assistant Secretary of the Treasury.

DEPARTMENT OF EDUCATION

Laurie Rich, of Texas, to be Assistant Secretary for Intergovernmental and Interagency Affairs, Department of Education.

Robert Pasternack, of New Mexico, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

Joanne M. Wilson, of Louisiana, to be Commissioner of the Rehabilitation Services Administration, Department of Education.

Carol D'Amico, of Indiana, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Cari M. Dominguez, of Maryland, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 2006.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AUTHORIZING SENATE LEGAL COUNSEL REPRESENTATION

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 137 submitted earlier today by the majority leader and the Republican leader.

The PRESIDING OFFICER. The clerk will report the resolution by Title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 137) to authorize representation by the Senate Legal Counsel in John Hoffman, et al. v. James Jeffords.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, two Republican voters in Pennsylvania have commenced a civil action against Senator JEFFORDS in federal district court in the District of Colombia to challenge Senator JEFFORDS' recent decision to become an Independent and to caucus with the Democratic party for organizational purposes within the Senate. Specifically, this lawsuit seeks ''to assert the invalidity of Senator JEFFORDS change of party by mere announcement'' and requests a court order requiring Senator JEFFORDS ''to reinstate his status as a Republican Senator'' particularly ''during the Senate polling and caucusing of its members.''

Through this action, the plaintiffs seek to subject to judicial control a Senator's choice of with which Senators to caucus, as well as the process by which the Senate chooses its officers and the chairs of its committees. This attempt to question a Senator in court about the performance of his legislative responsibilities in the Senate is barred by the Speech or Debate Clause of the Constitution, which commits such oversight of Senators to the electorate, not to the judiciary. This suit also runs afoul of the clauses of the Constitution that commit to each House of Congress the responsibility to elect officers and determine the rules of its proceedings.

Because this suit seeks to challenge the validity of actions taken by Senator JEFFORDS in his official capacity, representation in this case falls appropriately within the Senator Legal Counsel's statutory responsibility. This resolution would accordingly authorize the Senate Legal Counsel to represent Senator JEFFORDS to present to the Court the constitutional bases for dismissing this suit.

Mr. REID. Mr. President, I ask unanimous consent the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table en bloc, and any statements related thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 137) was agreed to.

The preamble was agreed to.

(The resolution is printed in today's RECORD under ''Resolutions Submitted.'')

SUDAN PEACE ACT

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 89, S. 180.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 180) to facilitate famine relief efforts and comprehensive solutions to the war in Sudan.

There being no objection, the Senate proceeded to consider the bill which had been referred to the Committee on Foreign Relations with an amendment in the nature of a substitute.

[Strike out all after the enacting clause and insert the part printed in italic.]

S. 180

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 ''Sudan Peace Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Government of Sudan has intensified its prosecution of the war against areas outside of its control, which has already cost more than 2,000,000 lives and has displaced more than 4,000,000.

(2) A viable, comprehensive, and internationally sponsored peace process, protected from manipulation, presents the best chance for a permanent resolution of the war, protection of human rights, and a self-sustaining Sudan.

(3) Continued strengthening and reform of humanitarian relief operations in Sudan is an essential element in the effort to bring an end to the war.

(4) Continued leadership by the United States is critical.

(5) Regardless of the future political status of the areas of Sudan outside of the control of the Government of Sudan, the absence of credible civil authority and institutions is a major impediment to achieving self-sustenance by the Sudanese people and to meaningful progress toward a viable peace process.

(6) Through manipulation of traditional rivalries among peoples in areas outside their full control, the Government of Sudan has effectively used divide and conquer techniques to subjugate their population, and internationally sponsored reconciliation efforts have played a critical role in reducing the tactic's effectiveness and human suffering.

(7) The Government of Sudan is utilizing and organizing militias, Popular Defense Forces, and other irregular units for raiding and slaving parties in areas outside of the control of the Government of Sudan in an effort to severely disrupt the ability of those populations to sustain themselves. The tactic is in addition to the overt use of bans on air transport relief flights in prosecuting the war through selective starvation and to minimize the Government of Sudan's accountability internationally.

(8) The Government of Sudan has repeatedly stated that it intends to use the expected proceeds from future oil sales to increase the tempo and lethality of the war against the areas outside its control.

(9) Through its power to veto plans for air transport flights under the United Nations relief operation, Operation Lifeline Sudan (OLS), the Government of Sudan has been able to manipulate the receipt of food aid by the Sudanese people from the United States and other donor countries as a devastating weapon of war in the ongoing effort by the Government of Sudan to subdue areas of Sudan outside of the Government's control.

(10) The efforts of the United States and other donors in delivering relief and assistance through means outside OLS have played a critical role in addressing the deficiencies in OLS and offset the Government of Sudan's manipulation of food donations to advantage in the civil war in Sudan.

(11) While the immediate needs of selected areas in Sudan facing starvation have been addressed in the near term, the population in areas of Sudan outside of the control of the Government of Sudan are still in danger of extreme disruption of their ability to sustain themselves.

(12) The Nuba Mountains and many areas in Bahr al Ghazal, Upper Nile, and Blue Nile regions have been excluded completely from relief distribution by OLS, consequently placing their populations at increased risk of famine.

(13) At a cost which has sometimes exceeded $1,000,000 per day, and with a primary focus on providing only for the immediate food needs of the recipients, the current international relief operations are neither sustainable nor desirable in the long term.

(14) The ability of populations to defend themselves against attack in areas outside the Government of Sudan's control has been severely compromised by the disengagement of the frontline sponsor states, fostering the belief within officials of the Government of Sudan that success on the battlefield can be achieved.

(15) The United States should use all means of pressure available to facilitate a comprehensive solution to the war in Sudan, including—

(A) the multilateralization of economic and diplomatic tools to compel the Government of Sudan to enter into a good faith peace process;

(B) the support or creation of viable democratic civil authority and institutions in areas of Sudan outside government control;

(C) continued active support of people-to-people reconciliation mechanisms and efforts in areas outside of government control;

(D) the strengthening of the mechanisms to provide humanitarian relief to those areas; and

(E) cooperation among the trading partners of the United States and within multilateral institutions toward those ends.

SEC. 3. DEFINITIONS.

In this Act:

(1) GOVERNMENT OF SUDAN.—The term ''Government of Sudan'' means the National Islamic Front government in Khartoum, Sudan.

(2) OLS.—The term ''OLS'' means the United Nations relief operation carried out by UNICEF, the World Food Program, and participating relief organizations known as ''Operation Lifeline Sudan''.

SEC. 4. CONDEMNATION OF SLAVERY, OTHER HUMAN RIGHTS ABUSES, AND TACTICS OF THE GOVERNMENT OF SUDAN.

Congress hereby—

(1) condemns—

(A) violations of human rights on all sides of the conflict in Sudan;

(B) the Government of Sudan's overall human rights record, with regard to both the prosecution of the war and the denial of basic human and political rights to all Sudanese;

(C) the ongoing slave trade in Sudan and the role of the Government of Sudan in abetting and tolerating the practice; and

(D) the Government of Sudan's use and organization of ''murahalliin'' or ''mujahadeen'', Popular Defense Forces (PDF), and regular Sudanese Army units into organized and coordinated raiding and slaving parties in Bahr al Ghazal, the Nuba Mountains, Upper Nile, and Blue Nile regions; and

(2) recognizes that, along with selective bans on air transport relief flights by the Government of Sudan, the use of raiding and slaving parties is a tool for creating food shortages and is used as a systematic means to destroy the societies, culture, and economies of the Dinka, Nuer, and Nuba peoples in a policy of low-intensity ethnic cleansing.

SEC. 5. SUPPORT FOR AN INTERNATIONALLY SANCTIONED PEACE PROCESS.

(a) FINDINGS.—Congress hereby recognizes that—

(1) a single viable, internationally and regionally sanctioned peace process holds the greatest opportunity to promote a negotiated, peaceful settlement to the war in Sudan; and

(2) resolution to the conflict in Sudan is best made through a peace process based on the Declaration of Principles reached in Nairobi, Kenya, on July 20, 1994.

(b) UNITED STATES DIPLOMATIC SUPPORT.—The Secretary of State is authorized to utilize the personnel of the Department of State for the support of—

(1) the ongoing negotiations between the Government of Sudan and opposition forces;

(2) any necessary peace settlement planning or implementation; and

(3) other United States diplomatic efforts supporting a peace process in Sudan.

SEC. 6. MULTILATERAL PRESSURE ON COMBATANTS.

It is the sense of Congress that—

(1) the United Nations should be used as a tool to facilitating peace and recovery in Sudan; and

(2) the President, acting through the United States Permanent Representative to the United Nations, should seek to—

(A) revise the terms of Operation Lifeline Sudan to end the veto power of the Government of Sudan over the plans by Operation Lifeline Sudan for air transport of relief flights and, by doing so, to end the manipulation of the delivery of those relief supplies to the advantage of the Government of Sudan on the battlefield;

(B) investigate the practice of slavery in Sudan and provide mechanisms for its elimination; and

(C) sponsor a condemnation of the Government of Sudan each time it subjects civilians to aerial bombardment.

SEC. 7. REPORTING REQUIREMENT.

Section 116 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended by adding at the end the following:

''(g) In addition to the requirements of subsections (d) and (f), the report required by subsection (d) shall include—

''(1) a description of the sources and current status of Sudan's financing and construction of oil exploitation infrastructure and pipelines, the effects on the inhabitants of the oil fields regions of such financing and construction, and the Government of Sudan's ability to finance the war in Sudan;

''(2) a description of the extent to which that financing was secured in the United States or with involvement of United States citizens;

''(3) the best estimates of the extent of aerial bombardment by the Government of Sudan forces in areas outside its control, including targets, frequency, and best estimates of damage; and

''(4) a description of the extent to which humanitarian relief has been obstructed or manipulated by the Government of Sudan or other forces for the purposes of the war in Sudan.''.

SEC. 8. CONTINUED USE OF NON-OLS ORGANIZATIONS FOR RELIEF EFFORTS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should continue to increase the use of non-OLS agencies in the distribution of relief supplies in southern Sudan.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the President shall submit a detailed report to Congress describing the progress made toward carrying out subsection (a).

SEC. 9. CONTINGENCY PLAN FOR ANY BAN ON AIR TRANSPORT RELIEF FLIGHTS.

(a) PLAN.—The President shall develop a contingency plan to provide, outside United Nations auspices if necessary, the greatest possible amount of United States Government and privately donated relief to all affected areas in Sudan, including the Nuba Mountains, Upper Nile, and Blue Nile, in the event the Government of Sudan imposes a total, partial, or incremental ban on OLS air transport relief flights.

(b) REPROGRAMMING AUTHORITY.—Notwithstanding any other provision of law, in carrying out the plan developed under subsection (a), the President may reprogram up to 100 percent of the funds available for support of OLS operations (but for this subsection) for the purposes of the plan.

SEC. 10. HUMANITARIAN ASSISTANCE FOR EXCLUSIONARY "NO GO" AREAS OF SUDAN.

(a) PILOT PROJECT ACTIVITIES.—The President, acting through the United States Agency for International Development, is authorized and requested to undertake, immediately, pilot project activities to provide food and other humanitarian assistance, as appropriate, to vulnerable populations in Sudan that are residing in exclusionary ''no go'' areas of Sudan.

(b) STUDY.—The President, acting through the United States Agency for International Development, shall conduct a study examining the adverse impact upon indigenous Sudan communities by OLS policies that curtail direct humanitarian assistance to exclusionary ''no go'' areas of Sudan.

(c) EXCLUSIONARY ''NO GO'' AREAS OF SUDAN DEFINED.—In this section, the term ''exclusionary 'no go' areas of Sudan'' means areas of Sudan designated by OLS for curtailment of direct humanitarian assistance, including, but not limited to, the Nuba Mountains, the Upper Nile, and the Blue Nile.

Mr. REID. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read a third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute was agreed to.

The bill (S. 180), as amended, was read the third time and passed.

EXPRESSION OF APPRECIATION

Mr. REID. Mr. President, let me say in closing, the assistant minority leader is in the Chamber, and I express through him to the entire Republican caucus our appreciation for their cooperation in moving this legislation that we have just completed, and the nominations. We now have completed three appropriations bills. Last Congress at this same time we were able to complete eight before the August recess. That is a goal we have. We certainly would like to be able to do that.

Even though there has been a few missteps this week back and forth, I think there has been an understanding as to what is expected on each side. Again, I express my appreciation to the entire Republican caucus, through my friend, the senior Senator from Oklahoma, the assistant minority leader.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague, Senator REID from Nevada. We did get some things accomplished today. We did pass two appropriations bills. We did confirm, I think, about 18 people. And we are going to confirm about three judges tomorrow, and several other individuals. So we are making progress.

I thank my friend and colleague as well for his patience. This is not the easiest process, as we found out in the last session of Congress. Sometimes it is more difficult to pass appropriations bills than it should be. But my friend from Nevada has been very persistent. He is getting his appropriations bills passed and we are getting some nominations through. I pledge to continue working with him to see if we can accomplish both objectives: completing appropriations bills in a timely manner and also seeing to it that President Bush's nominees are given fair consideration and are confirmed in an appropriate timeframe.

The PRESIDING OFFICER. The Senator from Nevada.

ORDERS FOR FRIDAY, JULY 20, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:15 a.m, Friday, July 20. I further ask unanimous consent that on Friday, immediately following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

PROGRAM

Mr. REID. Mr. President, tomorrow the Senate will convene at 9:15 a.m., with 30 minutes of closing debate in relation to the Gregory, Haddon, and Cebull nominations, followed by up to three rollcall votes beginning at approximately 9:45 tomorrow morning.

Following disposition of the nominations, the Senate will resume consideration of the Transportation appropriations bill. As has been announced by the majority leader, after those votes tomorrow, the first vote will be at 5:45 p.m. on Monday.

ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. REID. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:38 p.m., adjourned until Friday, July 20, 2001, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate July 19, 2001:

DEPARTMENT OF ENERGY

LINTON F. BROOKS, OF VIRGINIA, TO BE DEPUTY ADMINISTRATOR FOR DEFENSE NUCLEAR NONPROLIFERATION, NATIONAL NUCLEAR SECURITY ADMINISTRATION. (NEW POSITION)

DEPARTMENT OF STATE

RONALD E. NEUMANN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE STATE OF BAHRAIN.

NANCY GOODMAN BRINKER, OF FLORIDA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF HUNGARY.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 19, 2001:

EXECUTIVE OFFICE OF THE PRESIDENT

JOHN D. GRAHAM, OF MASSACHUSETTS, TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET.

DEPARTMENT OF DEFENSE

SUSAN MORRISEY LIVINGSTONE, OF MONTANA, TO BE UNDER SECRETARY OF THE NAVY.

ALBERTO JOSE MORA, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE NAVY.

STEPHEN A. CAMBONE, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY.

FEDERAL RESERVE SYSTEM

ROGER WALTON FERGUSON, JR., OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN YEARS FROM FEBRUARY 1, 2000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

KEVIN KEANE, OF WISCONSIN, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

DEPARTMENT OF COMMERCE

WILLIAM HENRY LASH, III, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE.

DEPARTMENT OF THE TREASURY

BRIAN CARLTON ROSEBORO, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

EXECUTIVE OFFICE OF THE PRESIDENT

ALLEN FREDERICK JOHNSON, OF IOWA, TO BE CHIEF AGRICULTURAL NEGOTIATOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR.

DEPARTMENT OF TRANSPORTATION

ALLAN RUTTER, OF TEXAS, TO BE ADMINISTRATOR OF THE FEDERAL RAILROAD ADMINISTRATION.

DEPARTMENT OF COMMERCE

SAMUEL W. BODMAN, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF COMMERCE.

EXECUTIVE OFFICE OF THE PRESIDENT

MARK B. MCCLELLAN, OF CALIFORNIA, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

DEPARTMENT OF THE TREASURY

SHEILA C. BAIR, OF KANSAS, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

DEPARTMENT OF EDUCATION

LAURIE RICH, OF TEXAS, TO BE ASSISTANT SECRETARY FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS, DEPARTMENT OF EDUCATION.

ROBERT PASTERNACK, OF NEW MEXICO, TO BE ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION.

JOANNE M. WILSON, OF LOUISIANA, TO BE COMMISSIONER OF THE REHABILITATION SERVICES ADMINISTRATION, DEPARTMENT OF EDUCATION.

CAROL D'AMICO, OF INDIANA, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CARI M. DOMINGUEZ, OF MARYLAND, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2006.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

IN HONOR OF FOOD NOT BOMBS CLEVELAND

HON. DENNIS J. KUCINICH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to recognize Food Not Bombs Cleveland for the significant contribution that organization is making in Ohio's 10th Congressional District and the Greater Cleveland area.

Like other Congressional Districts around the country, my district has severe and significantly problems with hunger. This problem is prevalent among those who have places to live and those who do not.

Food Not Bombs Cleveland operates on the principle that society and government should value human life over material wealth. Many of the problems in the world stem from this simple crisis in values.

By giving away free food to people in need in public spaces, such as Cleveland's Public Square every Sunday afternoon since January 1996, Food Not Bombs Cleveland directly dramatizes the level of hunger in this country and the surplus of food being wasted. Food Not Bombs Cleveland also calls attention to the failure of our society to support those within it while amply funding the forces of war and violence.

Food Not Bombs Cleveland is part of an informal network, Food Not Bombs, which was formed in Boston in 1980 as an outgrowth of the anti-nuclear movement in New England. Food Not Bombs Cleveland is committed to the use of non-violent direct action to change society. It is by working today to create sustainable institutions that prefigure the kind of society we want to live in, that Food Not Bombs Cleveland works to bring a vital and caring movement for progressive social change.

Food Not Bombs serves food as a practical act of sustaining people and organizations, not as symbolism. Thousands of meals are served each week by Food Not Bombs groups in North America and Europe. The meals served by Food Not Bombs Cleveland each week are vegetarian, donated by Cleveland-area grocers such as the Food Coop, the Web of Life, Panera Bakery, and vendors at Cleveland's West Side Market, prepared by volunteers, and are shared with anyone who wants to participate.

It is at these weekly gatherings that information is shared by participants on all issues of significance, from available resources for survival on and off the streets to how to make positive non-violent change in our society. Since many of the participants in Food Not Bombs Cleveland are living on either side of the edge of homelessness, there is much information gathered and shared that is useful to the participants.

For instance, it is at these gatherings that the Northeast Ohio Coalition for the Homeless distributes its ''Street Card,'' detailing all social services available to both the homeless, the formerly homeless, and those at risk of becoming homeless. Participants share information about their own experience with social services resources, both as users and providers of such services. Thus, Food Not Bombs Cleveland operates as an important networking tool for those in need of social services that help those in need.

I am proud of the work that Food Not Bombs Cleveland accomplishes through its free public meals, by drawing attention to the hunger and homelessness crisis in America, and by using direct, non-violent means toward helping resolve these crises. I ask my colleagues to join me in recognition of Food Not Bombs Cleveland the national Food Not Bombs network.

IN MEMORY OF WILLIAM FRANCIS LANDIS

HON. MIKE THOMPSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize William Francis Landis, who died June 10, 2001 in Humboldt County, California at the age of ninety.

Bill Landis was born in Oakland, California where he attended local schools. In 1939, he graduated from the University of California at Berkeley. He became a full time employee of the Bank of America, having worked for the bank part time while attending the university.

After the 1941 attack on Pearl Harbor, Bill Landis joined the United States Army and served in the Army Air Corps throughout World War II.

When the war ended, Bill Landis returned to work at Bank of America. Before the war he had met his future wife, Marian Adele Anderson, of Ferndale, California. They married and settled in Hayward, California. After the birth of their sons, William, Jr. and James, Bill and Marian decided to move back to Humboldt County to raise their family. The family grew as three more children were born, Charles, Gary and Adele.

Bill worked for the Arcata Plywood Company and was instrumental in organizing Local Union 2808. In 1962 he was elected 5th District Supervisor for the County of Humboldt and was a strong supporter of the establishment of the Redwood National Park. After his term as Supervisor, he served as business agent for the Humboldt County Employee Union for ten years.

After his retirement, Bill Landis served as Senior Senator, advising the California Legislature on important senior issues. Actively involved at the Eureka Senior Center, he educated others about senior health concerns and advocated lowering the cost of prescription medications for low-income seniors.

A fervent Democrat, a dedicated humanitarian, and a champion for senior citizens, Bill Landis has left a distinguished legacy to his children and grandchildren.

Mr. Speaker, it is appropriate at this time that we recognize William Francis Landis for his unwavering commitment to the ideals and values that sustain our great country.

A SPECIAL TRIBUTE TO SISTER NANCY LINENKUGEL, OSF, EDM, FACHE

HON. PAUL E. GILLMOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize Sister Nancy Linenkugel, a member of the Sisters of St. Francis, who will be stepping down as President and Chief Executive Officer of the Providence Health System and the Providence Hospital in Sandusky, Ohio after 21 years of service.

During Sister Nancy's tenure, she worked diligently to improve and enhance not only the hospital but also the people's lives that came into contact with her. Sister Nancy served 15 years as president and CEO of Providence Hospital. In addition to her hospital duties she concurrently served for 14 years as president and CEO of the Providence Health System which is made up of not only Providence Hospital but, Providence Care Centers, Providence Properties, Providence Fund, Providence Enterprises, and Providence Professional Corporation as well.

Over her 21 years, Sister Nancy has guided the Sandusky hospital through a significant period of growth. She has overseen the development of a Women's Center, an obstetrics unit, two physical therapy clinics, a sleep lab, a mobile MRI unit, inpatient rehab unit, and a home health agency, just to name a few. In addition, she established an Open Heart Surgery Program and initiated a physician relations program that significantly boosted hospital admissions. One important goal Sister Nancy had for the hospital was a freestanding long-term care facility. Her dream came true in 1989 when the Providence Care Center, a nursing home, opened its doors.

I am not the only one to recognize her accomplishments. Sister Nancy was inducted into the Ohio Women's Hall of Fame in 1999, given the Distinguished Alumni Award in 1993 from her alma mater Xavier University, named the Erie County Chamber Commerce Businesswoman of the Year in 1992 and the Sandusky Business and Professional Women named her Woman of the Year in 1989.

Mr. Speaker, Sister Nancy Linenkugel is an inspiration. Through her hard work, dedication, and determination, she has made Providence Health Systems one of the best in Ohio and the country. I ask my colleagues to join me in saluting her and wishing her the very best in her future endeavors.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO CHRISTINE DIEMER IGER

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. GARY G. MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of Christine Diemer Iger, Esq.

Christine Diemer Iger, Chief Executive Officer for the past twelve years at the building Industry Association of Southern California/Orange County Chapter, will be resigning this post in August, 2001, to join the law firm of Manatt, Phelps and Phillips, LLP.

Mrs. Iger will be remembered for her dedication to making the BIA the spokesperson of record for the Orange County homebuilding industry. She interfaced closely and successfully with local, state, and federal officials to resolve Orange County's diverse and complex land use and building development issues. Prior to joining the Building Industry Association, Orange County Chapter, she served in the administration of Governor George Deukmejian from 1986–1989, as Director of the California Department of Housing and Community Development, and from 1983–1986 as Deputy Attorney General before the Court of Appeals and Supreme Court. Her legal career began in 1977, as Law Clerk to United States Magistrate Edward A. Infante in San Diego. She also served as Assistant Legal Director for the California District Association in 1979.

Mrs. Iger is a past board member of the Federal National Mortgage Association. She currently serves as a board member and audit committee chair of the Keith Companies, a successful engineering company and environmental land-use planning firm.

Mrs. Iger has an outstanding record of service to her community. She is a member of the executive committees for the University of California, Irvine, CEO Roundtable and Foundation, member of the Board of Directors for the Orange County Business Council, Orange County Performing Arts Center, Pacific Symphony Orchestra, and Opera Pacific.

Christine Diemer Iger's exemplary professional service has earned the admiration and respect of those who have had the privilege of working with her. I would like to congratulate her on these accomplishments and wish her well in her new endeavor.

IN MEMORY OF MR. JEFFREY LEBARRON

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today in memory of a great an, Jeffrey LeBarron. Mr. LeBarron has had a distinguished career working in both public and private sectors for Cleveland's economic development. During his career he has held a wide variety of positions ranging from executive assistant to former Cleveland Mayor Voinovich, director of retail real estate for the Richard E. Jacobs Group, to executive vice president of the Downtown Cleveland Partnership.

Mr. LeBarron graduated from Chagrin Falls High School in 1973. In 1977 he graduated from Boston University. He then continued his education earning a law degree in 1981 and then a master's degree in 1982 in business administration from Case Western Reserve University.

During his time in the Voinovich mayoral administration, he held the positions of assistant safety director and chief assistant law director, between 1981 and 1990. Mr. LeBarron then took a job with what was then Jacobs, Visconsi, & Jacobs Co. During his time with this development firm, he worked on the development of mayor real estate projects such as South Park Center and Chagrin Highlands. After he left Jacobs, Visconsi, & Jacobs Co., he joined with the Downtown Cleveland Partnership, a non-profit organization focused on downtown real estate development plans.

All of the hard work and dedication that Mr. LeBarron has displayed during his career is exemplatory. He was an extraordinarily bright and an incredibly genuine person.

Mr. Speaker, please rise today and join me in applauding an individual who has made numerous contributions to the Cleveland area, Mr. Jeffrey LeBarron.

HONORING FRANK CAMMARATA UPON HIS RETIREMENT FROM THE CLEARLAKE CHAMBER OF COMMERCE

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize Frank Cammarata as he retires from the Clearlake Chamber of Commerce. Frank, a true friend of mine, has served the people of Clearlake, California at the Chamber since 1994. He originally joined the Chamber after he retired in 1982 from a successful career in Italian Foods.

During Frank's tenure working with the Clearlake community he has been instrumental in bringing light industry and jobs to the area. He has also helped establish a DMV office in Clearlake as well as a State Park and new community senior center. In addition, he has been credited with starting many events, such as the annual Lake County Wine Auction Gala, the city Jazz Festival, Christmas parade, and city hall tree lighting. He will also continue to work to bring Kaiser Health Plan to his community. His initiative and commitment is truly an asset to Lake County and an inspiration to our entire country.

In recognition of his work for the community he was named Clearlake's Man of the Year and Grand Marshall for the Fourth of July parade in 1997. He was also named Lake County's Man of the Year in 1999 for his determination in making Clearlake ''the safest, friendliest town in California.'' This collection of awards is testimony to the value that Frank adds to the community of Clearlake. All citizens from Lake County have benefited from Frank's dedication and hard work.

Frank's involvement in the program ''Toys for Kids'' has made the program into a tremendous success. Every Christmas, ''Toys for Kids'' delivers toys and clothing to over 400 low-income kids in Clearlake. Without Frank's energy and enthusiasm we would not be experiencing such great success in helping the children of our community.

Frank and his wife, Alva, have been married for over 40 years. He has four children—Frank V, Chris, and twin daughters, Anna and Cindy—and eight grandchildren.

Mr. Speaker, it is appropriate at this time that we recognize Frank Cammarata for his contributions and unwavering service to the community of Clearlake. He is a model citizen whom we can all admire and emulate.

A SPECIAL TRIBUTE TO PHYLLIS AND ELMER WELLMAN ON THE OCCASION OF THEIR 50TH WEDDING ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to congratulate Phyllis and Elmer Wellman, of Delphos, Ohio, on the recent celebration of their golden wedding anniversary.

Elmer J. Wellman married Phyllis A. Davis on July 16, 1951. After they were wed, the Wellmans settled in Delphos, Ohio. Their first priority throughout their lives have been their three children: Pat, Jim, and Mark, my Chief of Staff. They are also the devoted grandparents of four grandchildren.

Both Elmer and Phyllis were raised in farming families during the Great Depression. That common experience gave both of them an appreciation for the truly important things in life. They have also distinguished themselves as accomplished professionals and have generously contributed to their community.

Elmer recently retired from farming. He has also been active in civic positions including the Van Wert County Hospital Board, the former Peoples National Bank of Delphos, the Delphos Country Club and is a retired high school basketball referee.

Phyllis recently retired from her third career. After raising her three children, Phyllis returned to the profession of teaching. Her patient, yet demanding teaching style helped prepare countless students for the working world. She retired from teaching in 1978, only to serve in the administrative office of Wellman Seeds, Inc. until her retirement last year.

Mr. Speaker, the institution of marriage provides the strength that holds our communities together. Maintaining a marriage requires sacrifice, understanding, patience, and sometimes forgiveness by both husband and wife. Marking the fiftieth anniversary of a marriage is a very special occasion for not only the couple, but also for the family, friends, and community they have touched.

It has been my privilege to know Phyllis and Elmer Wellman for more than twenty years. I ask my colleagues to join me in extending to them our very best on their golden anniversary and to wish them many more years of happiness together.

TRIBUTE TO JENNETTA HARRIS

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. GARY G. MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of Jennetta Harris, of Alta Loma, California.

Ms. Harris has been employed by Southern California Edison for twenty-eight years. In her role as Public Affairs Region manager, she has provided support to many organizations and the community at large. Ms. Harris has received numerous, well-deserved honors for her legendary giving of time and self to professional, civic and youth organizations. She was recently honored by the American Red Cross for her outstanding leadership as chair of the Pomona Valley Chapter.

Past awards and honors include: NAACP Legal Defense Fund Black Woman of Achievement; Los Angeles African American Women's Political Action Committee; Mary Church Terrell Award; 1999 AOH Woman; Pitzer College Learning Center Achievement Award; YMCA Leadership Award; Inland Valley News Publisher's Celebration of Excellence Award; American Woman Business Association Community Service Award; Boys and Girls Club C.J. Tuck McGuire Award and San Gabriel Valley; Branch NAACP Black Women of Achievement Award.

Ms. Harris serves as a minister, Sunday School Teacher and editor for her parish, Greater Bethel Apostolic community Church in Riverside, California. She enjoys spending time with her children, Elijah and Jennell, writing poetry and traveling.

Ms. Harris' impressive record of community service has earned the admiration and respect of those who have had the privilege of working with her. I would like to congratulate her on these accomplishments and thank her for the service she has provided to her community.

IN HONOR OF ST. THEODOSIUS ORTHODOX CATHEDRAL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor the anniversary of the construction of the St. Theodosius Orthodox Cathedral. This architectural wonder has housed this faithful congregation for ninety years.

In addition to celebrating their anniversary, the Cathedral community has been engaged in a comprehensive restoration and improvement project. The beautiful Neo-Byzantine murals are being cleaned and restored. In addition, new gold leaf gilding, marble floor, and carpet are being installed and an entry-way will be constructed that will be compliant with the Americans with Disabilities Act.

Over 500 individuals call St. Theodosius their spiritual home. The church community traces it history back to its founding in 1896 as the first Orthodox Community in Cleveland. Since then, this historic church has served the Tremont neighborhood and the rest of the Cleveland community in countless ways. Recently, it has been active in helping the needy by providing a Food Pantry every month along with hot lunches and holiday meals.

I ask my colleagues to join me in honoring this congregation and their architectural marvel. May they serve their community faithfully for another ninety years and beyond.

HONORING THE 30TH ANNIVERSARY OF THE OPEN DOOR COMMUNITY HEALTH CENTERS

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize the 30th Anniversary of the Open Door Community Health Centers. Open Door began in 1971 as a volunteer clinic providing health, legal and other social services. Their mission has always been to provide high quality, affordable health care to all without regard for financial, geographical, or social barriers.

In its thirty-year tenure, Open Door has grown tremendously, presently operating eight community health centers in Humboldt and Del Norte counties. Open Door provides quality care to 32,000 patients a year and employs 250 people. The Mobile Health program serves over thirty school and community sites, bringing care to remote areas that would otherwise remain underserved.

In addition to providing two million dollars a year in free or reduced-fee services, Open Door has acted as an incubator for many new programs that have since become key service agencies for our community. Open Door has been instrumental in identifying the health needs of rural communities and in bringing them to the attention of state and federal legislators.

The committed staff of the Open Door Community Health Centers strives daily to provide the utmost in quality care for our community. Mr. Speaker, it is appropriate at this time that we recognize and honor their dedication on this 30th Anniversary of the Open Door Community Health Centers.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

SPEECH OF

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2500) making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes:

Mr. MORAN of Kansas. Mr. Chairman, I rise today to speak in favor of the Small Business Administration 7a Loan program.

Currently, 40% of all long term business loans of $1 million or less through private sector lenders have SBA involvement. Because of inadequate federal resources, SBA has had to rely on increased user fees. This results in higher costs and many lenders quit providing SBA loans because they are not profitable. This often means that small business are denied long term credit.

Over the last eight years, over 5,500 small business loans were made in the state of Kansas. If SBA had not been available to finance these loans, most would not have been made. Small businesses are vital to the small communities in my district. Without the availability of these long term loans, many small business would never get off the ground. If SBA must continue to rely on user fees to fund SBA, the future of small businesses will be jeopardized.

I urge my colleagues to support increasing SBA funding under the Commerce, Justice, State Appropriation bill.

H.R. 2562, THE MINORITY EMERGENCY PREPAREDNESS ACT OF 2001

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. BISHOP. Mr. Speaker, today I am introducing a bill that will help minorities better prepare for tornadoes, floods, and other disasters, thereby raising the level of protection for segments of the population hit the hardest. This bill is entitled the ''Minority Emergency Preparedness Act of 2001'' and already has 25 original co-sponsors. I feel this initial response is a testament to the importance and value of this legislation.

This bill will establish a research program to assess the impact of man-made and natural disasters on minority populations, especially low income, under served populations in rural communities and densely-populated urban areas. This information can then be used to help prepare for disasters such as tornadoes, floods, earthquakes, hurricanes, fires, and storms involving heavy rains, high winds and ice and snow, and thus lessen their impact.

According to the Federal Emergency Management Administration (FEMA), minorities are impacted by emergencies two and a half times more than others in the country, and this is unacceptable. We must do more to help those who need it, so that they will not be impacted as much at times of disaster.

It is my hope that all people in high risk circumstances will benefit from this program, which will document and make available information about the dangers that are present in different locations as well as provide practical guidance on how to protect against disasters. I ask my colleagues to join with me in supporting this legislation, and lessen the harsh effects that disasters have on our communities in the states and regions most impacted by them.

PAYING TRIBUTE TO JENNIE TERPSTRA

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to extend my sincerest congratulations to Jennie Terpstra in honor of her 100th birthday. Ms. Terpstra was born on July 23, 1901 in Eastmanville, Michigan and has spent most of her life on a farm in Lamont, Michigan. It was on the farm where she acquired a love for flowers, gardening, and reading.

On June 21, 1923, at the age of 21, Jennie was married to George Terpstra at Tallmadge Church. George was her elder by one year and one day. Later in life, Ms. Terpstra found her spiritual home at the Lamont Christian Reformed Church.

To date, Ms. Terpstra has five children, nineteen grandchildren, over forty great-grandchildren, and six great-great grandchildren.

Therefore Mr. Speaker, I ask my colleagues to join me in congratulating Ms. Jennie Terpstra for turning 100 years young. Eric Butterworth once said ''Don't go through life, grow through life;'' Ms. Terpstra certainly has.

CONSTITUTIONAL AMENDMENT AUTHORIZING CONGRESS TO PROHIBIT PHYSICAL DESECRATION OF THE FLAG OF THE UNITED STATES

SPEECH OF

HON. TODD RUSSELL PLATTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 2001

Mr. PLATTS. Mr. Speaker, on behalf of my constituents and my late father, Dutch Platts, an army veteran who felt very strongly about protecting the American flag from desecration, I rise in support of this proposal.

House Joint Resolution 36 is important for many reasons. The American flag is of great importance not only to the men and women of the United States of America but also to the citizens of the world. Every time we raise or lower the many flags flown all over the world, we have given thanks and shown appreciation not only to the veterans who fought and gave their lives to ensure the freedoms we know today, but to the many citizens who work daily to preserve those freedoms. Desecration of this commanding symbol, whether it is by burning, tearing or other mutilation, undermines the powerful sense of patriotism Americans feel whenever they see the red, white and blue. To many, desecrating the American flag not only destroys a cloth, it also destroys the memories and devotion thousands of veterans and others carry with them throughout their daily lives.

In this day of world conflict, we must remember that the Stars and Stripes has been a force that holds communities together. I agree with the gentleman from California, Mr. Cunningham, that, ''The American flag is a national treasure. It is the ultimate symbol of freedom, equal opportunity and religious tolerance. Amending our Constitution to protect the flag is a necessity.''

In looking to whether our Founding Fathers intended the First Amendment right to freedom of speech to include burning of the American flag, I look to how our Founding Fathers treated the flag: When the Founding Fathers would go into battle, one soldier would carry the flag. If that individual fell in battle, another soldier would give up his weapon to pick up the flag. Those actions tell us pretty clearly how much our Founding Fathers respected and were willing to sacrifice themselves for the flag and how they did not intend the First Amendment right to freedom of speech to include desecration of the American Flag.

I am hopeful that this bill will pass with broad bipartisan support.

Daily Digest

HIGHLIGHTS

Senate passed the Energy and Water Development Appropriations Act.

Senate passed the Legislative Branch Appropriations Act.

The House passed H.R. 7, Community Solutions Act.

The House failed to pass H.J. Res. 50, disapproving Normal Trade Relations with China.

House Committees ordered reported the Energy Advancement and Conservation Act of 2001; and the Veterans Benefits Act of 2001.

Senate

Chamber Action

Routine Proceedings, pages S7893–S7986

Measures Introduced: Thirteen bills and one resolution were introduced, as follows: S. 1197–1209, and S. Res. 137. **Pages S7955–56**

Measures Reported:

S. Res. 16, designating August 16, 2001, as "National Airborne Day".

S. Con. Res. 16, expressing the sense of Congress that the George Washington letter to Touro Synagogue in Newport, Rhode Island, which is on display at the B'nai B'rith Klutznick National Jewish Museum in Washington, D.C., is one of the most significant early statements buttressing the nascent American constitutional guarantee of religious freedom. **Page S7955**

Measures Passed:

Energy and Water Development Appropriations Act: By 97 yeas to 2 nays (Vote No. 240), Senate passed H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, after taking action on the following amendments proposed thereto: **Pages S7895–S7905**

Adopted:

Reid/Domenici Amendment No. 1024, to make certain revisions and improvements to the bill. **Pages S7895–96**

Subsequently, the amendment was modified. **Page S7897**

During consideration of this measure today, Senate also took the following action:

By 76 yeas to 23 nays (Vote No. 239), Senate agreed to a motion to instruct the Sergeant at Arms to request the attendance of absent Senators. **Pages S7896–97**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Reid, Byrd, Hollings, Murray, Dorgan, Feinstein, Harkin, Inouye, Domenici, Cochran, McConnell, Bennett, Burns, Craig, and Stevens. **Page S7905**

Legislative Branch Appropriations Act: By 88 yeas to 9 nays (Vote No. 241), Senate passed S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, after taking action on the following amendments proposed thereto: **Pages S7934–37**

Adopted:

Specter Amendment No. 1027, to provide additional funding for Members of the Senate which may be used by a Member for mailings to provide notice of town meetings. **Page S7936**

Durbin/Bennett Amendment No. 1026, to authorize the Architect of the Capitol to secure certain property, to fund a technology assessment pilot project. **Pages S7936–37**

A unanimous-consent agreement was reached providing that when the Senate receives the House companion measure, the text of the bill be stricken and the text of the Senate bill be inserted in lieu thereof, provided that if the House inserts matters relating to the Senate in areas under the heading of "House of Representatives" then that text also be stricken, and that the House bill be read a third time and

passed and the motion to reconsider be laid on the table. Further, that S. 1172 remain at the desk and that once the Senate acts on the House bill, passage of the Senate bill be vitiated and it be returned to the calendar.

Legal Counsel Representation: Senate agreed to S. Res. 137, to authorize representation by the Senate Legal Counsel in *John Hoffman, et al.* v. *James Jeffords* **Page S7984**

Famine Relief: Senate passed S. 180, to facilitate famine relief efforts and a comprehensive solution to the war in Sudan, after agreeing to a committee amendment in the nature of a substitute.

Pages S7985–86

Department of Transportation Appropriations Act: Committee on Appropriations was discharged from further consideration of H.R. 2299, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and the Senate then began consideration of the bill, taking action on the following amendment proposed thereto: **Page S7906**

Pending:

Murray/Shelby Amendment No. 1025, in the nature of a substitute. **Page S7906**

A unanimous-consent agreement was reached providing for further consideration of the bill on Friday, July 20, 2001. **Page S7906**

Nominations—Agreement: A unanimous-consent agreement was reached providing for the consideration of the nominations of Roger L. Gregory, of Virginia, to be United States Circuit Judge for the Fourth Circuit, and Sam E. Haddon and Richard F. Cebull, each to be a United States District Judge for the District of Montana, at 9:15 a.m., on Friday, July 20, 2001, with votes to occur thereon beginning at approximately 9:45 a.m.; and that upon disposition of these nomination the Senate consider and confirm Executive Calendar numbers 247 and 249. **Page S7984**

Nominations Confirmed: Senate confirmed the following nominations:

By 61 yeas 37 nays (Vote No. EX. 242), John D. Graham, of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.

Pages S7906–34, S7937–38, S7986

By 97 yeas 2 nays (Vote No. EX. 243), Roger Walton Ferguson, Jr., of Massachusetts, to be a Member of the Board of Governors of the Federal Reserve System for a term of fourteen years from February 1, 2000. (Reappointment)

Pages S7938–39, S7986

Kevin Keane, of Wisconsin, to be an Assistant Secretary of Health and Human Services.

Susan Morrisey Livingstone, of Montana, to be Under Secretary of the Navy.

William Henry Lash III, of Virginia, to be an Assistant Secretary of Commerce.

Allan Rutter, of Texas, to be Administrator of the Federal Railroad Administration.

Brian Carlton Roseboro, of New Jersey, to be an Assistant Secretary of the Treasury.

Allen Frederick Johnson, of Iowa, to be Chief Agricultural Negotiator, Office of the United States Trade Representative, with the rank of Ambassador.

Mark B. McClellan, of California, to be a Member of the Council of Economic Advisers.

Sheila C. Bair, of Kansas, to be an Assistant Secretary of the Treasury.

Alberto Jose Mora, of Virginia, to be General Counsel of the Department of the Navy.

Stephen A. Cambone, of Virginia, to be Deputy Under Secretary of Defense for Policy.

Samuel W. Bodman, of Massachusetts, to be Deputy Secretary of Commerce.

Prior to this action, the following nominations were discharged from the Committee on Health, Education, Labor and Pensions:

Laurie Rich, of Texas, to be Assistant Secretary for Intergovernmental and Interagency Affairs, Department of Education.

Robert Pasternack, of New Mexico, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

Joanne M. Wilson, of Louisiana, to be Commissioner of the Rehabilitation Services Administration, Department of Education.

Carol D'Amico, of Indiana, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

Cari M. Dominguez, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2006. (Reappointment)

Pages S7984, S7986

Nominations Received: Senate received the following nominations:

Linton F. Brooks, of Virginia, to be Deputy Administrator for Defense Nuclear Nonproliferation, National Nuclear Security Administration. (New Position)

Ronald E. Neumann, of Virginia, to be Ambassador to the State of Bahrain.

Nancy Goodman Brinker, of Florida, to be Ambassador to the Republic of Hungary. **Page S7986**

Executive Communications: **Pages S7948–50**

Petitions and Memorials: **Pages S7950–55**

Executive Reports of Committees: **Page S7955**

Messages From the House: Pages S7947–48
Measures Referred: Page S7948
Measures Placed on Calendar: Page S7948
Statements on Introduced Bills: Pages S7957–69
Additional Cosponsors: Pages S7956–57
Amendments Submitted: Pages S7969–82
Additional Statements: Pages S7946–47
Notices of Hearings: Page S7982
Authority for Committees: Pages S7982–84
Privilege of the Floor: Page S7984

Quorum Calls: One quorum call was taken today. (Total—2)

Record Votes: Five record votes were taken today. (Total—243) Pages S7897, S7905, S7937, S7938, S7939

Adjournment: Senate met at 10 a.m., and adjourned at 10:38 p.m., until 9:15 a.m., on Friday, July 20, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S7986.)

Committee Meetings

(Committees not listed did not meet)

FEDERAL FARM BILL

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings to elicit suggestions for the nutrition title of the proposed federal farm bill and to examine the reauthorization of the Food Stamp Program, focusing on improvement through streamlined applications, stable benefit levels, transitional assistance, simplified eligibility, and employment and training for economic self sufficiency, after receiving testimony from Eric M. Bost, Under Secretary of Agriculture for Food, Nutrition, and Consumer Services; Kevin W. Concannon, Maine Department of Human Services, Augusta; Robert Greenstein, Center on Budget and Policy Priorities, and Ron Haskins, Brookings Institution, both of Washington, D.C.; Karen Ford, Food Bank of Iowa, Des Moines; Dean M. Leavitt, U.S. Wireless Data, Inc., New York, New York; Deborah A. Frank, Boston Medical Center Grow Clinic for Children and Children's Sentinel Nutrition Assessment Program, Boston, Massachusetts; Cutberto Garza, Cornell University Division of Nutritional Sciences, Ithaca, New York; and Celine Dieppa, Manchester, Connecticut.

BUSINESS MEETING

Committee on Appropriations: Committee ordered favorably reported the following bills:

An original bill, making appropriations for the Departments of Commerce, Justice, State, and the Judiciary, and related agencies for the fiscal year ending September 30, 2002; and

An original bill, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2002.

BUSINESS MEETING

Committee on Appropriations: Subcommittee on VA, HUD, and Independent Agencies approved for full committee consideration an original bill, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2002.

BALLISTIC MISSILE DEFENSE

Committee on Armed Services: Committee concluded hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on ballistic missile defense policies and programs, after receiving testimony from Samuel R. Berger, Stonebridge International, former Assistant to the President for National Security Affairs, Philip E. Coyle, Center for Defense Information, former Assistant Secretary of Defense and Director, Operational Test and Evaluation, Department of Defense, and Richard N. Perle, American Enterprise Institute, former Assistant Secretary of Defense for International Security Policy, all of Washington, D.C.

AUTHORIZATION—ARMY MODERNIZATION

Committee on Armed Services: Subcommittee on Airland concluded hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on Army modernization and transformation, after receiving testimony from Lt. Gen. Paul J. Kern, USA, Military Deputy, Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology; and Maj. Gen. William L. Bond, USA, Director, Force Development, Office of the Deputy Chief of Staff for Programs.

NOMINATION

Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings on the nomination of Harvey Pitt, of North Carolina, to be a Member of the Securities and Exchange Commission, after the nominee, who was introduced by Senator Schumer, testified and answered questions in his own behalf.

RENEWABLE ENERGY AND HYDROELECTRICITY

Committee on Energy and Natural Resources: Committee continued hearings on proposed energy policy legislation, focusing on issues related to removing barriers to distributed generation, renewable energy and other advanced technologies in electricity generation and transmission, including Sections 301 and Title VI of S. 597, the Comprehensive and Balanced Energy Policy Act of 2001, Sections 110, 111, 112, 710, and 711 of S. 388, the National Energy Security Act of 2001, S. 933, the Combined Heat and Power Advancement Act of 2001, hydroelectric relicensing procedures of the Federal Energy Regulatory Commission, including Title VII of S. 388, Title VII of S. 597, and S. 71, the Hydroelectric Licensing Process Improvement Act of 2001, receiving testimony from David K. Garman, Assistant Secretary for Energy Efficiency and Renewable Energy, and J. Mark Robinson, Director, Office of Energy Projects, Federal Energy Regulatory Commission, both of the Department of Energy; William Bettenberg, Deputy Director, Office of Policy Analysis, Department of the Interior; Robert T. Boyd, Enron Wind Corporation, Los Angeles, California; Christian P. Demeter, Antares Group Inc., Landover, Maryland; Mark Hall, Trigen Energy Corporation, White Plains, New York; Thomas J. Starrs, Kelso, Starrs and Associates, Vashon Island, Washington; S. Elizabeth Birnbaum, American Rivers, on behalf of the Hydropower Reform Coalition, and Gerald J. Gray, American Forests, both of Washington, D.C.; and Julie Keil, Portland General Electric Company, Portland, Oregon.

Hearings continue on Tuesday, July 24.

CALIFORNIA ECOSYSTEM

Committee on Energy and Natural Resources: Subcommittee on Water and Power concluded hearings on S. 976, to provide authorization and funding for the enhancement of ecosystems, water supply, and water quality of the State of California, after receiving testimony from Senator Boxer; Representatives George Miller and Tauscher; Gale A. Norton, Secretary of the Interior; California Secretary for Resources Mary D. Nichols, and Patrick Writght, CALFED Bay-Delta Program, Stuart L. Somach, Somach, Simmons and Dunn, on behalf of the Glenn-Colusa Irrigation District, all of Sacramento; Phillip J. Pace, Metropolitan Water District of Southern California, Los Angeles; Richar M. Moss, Friant Water Users Authority, Lindsay, California; Stephen K. Hall, Association of California Water Agencies, Washington, D.C.; James Cunneen, San Jose Silicon Valley Chamber of Commerce, San Jose, California; and Grant Davis, Bay Institute of San Francisco, San Rafael, California.

TRADE ADJUSTMENT ASSISTANCE

Committee on Finance: Committee held hearings on proposed legislation authorizing funds for and to expand eligibility and improve the Trade Adjustment Assistance program, receiving testimony from Senators Wellstone, Bayh, and Dayton; Clayton Yeutter, former United States Trade Representative, George Becker, United Steelworkers of America, and William A. Reinsch, National Foreign Trade Council, Inc., all of Washington, D.C.; and Gary G. Kuhar, Northwest Trade Adjustment Assistance Center, Seattle, Washington.

Hearings continue tomorrow.

INTERNATIONAL FAMILY PLANNING

Committee on Foreign Relations: Committee concluded hearings to examine the United States' international family planning program, focusing on the impact of the Administration's global gag rule (also known as the Mexico City Policy) on the incidence of abortion, family planning, female health services, and American foreign policy objectives that promote democracy and free speech in certain countries, and a related measure, S. 367, to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations with respect to the provision of assistance under part I of the Foreign Assistance Act of 1961, after receiving testimony from Senators Hutchinson and Reid; Representatives Lowey and Chris Smith; Alan J. Kreczko, Acting Assistant Secretary of State/Bureau of Population, Refugees, and Migration; Daniel E. Pellegrom, Pathfinder International, Watertown, Massachusetts; Nicholas N. Eberstadt, American Enterprise Institute, Cathy Cleaver, U.S. Conference of Catholic Bishops, and Maria Sophia Aguirre, Catholic University Department of Business Economics, all of Washington, D.C.; Aryeh Neier, Open Society Institute, New York, New York; Nirmal K. Bista, Family Planning Association of Nepal, Kathmandu; and Susana Galdos Silva, Movimiento Manuela Ramos, Lima, Peru.

NOMINATIONS

Committee on Foreign Relations: Committee concluded hearings on the nominations of Stuart A. Bernstein, of the District of Columbia, to be Ambassador to Denmark, Michael E. Guest, of South Carolina, to be Ambassador to Romania, Charles A. Heimbold, Jr., of Connecticut, to be Ambassador to Sweden, Thomas J. Miller, of Virginia, to be Ambassador to Greece, Larry C. Napper, of Texas, to be Ambassador to the Republic of Kazakhstan, Jim Nicholson, of Colorado, to be Ambassador to the Holy See, and

Mercer Reynolds, of Ohio, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein, after the nominees testified and answered questions in their own behalf. Mr. Bernstein was introduced by Senator Bob Smith and Congressman Dingell, Mr. Heimbold was introduced by Senator Dodd, Mr. Miller was introduced by Senator Sarbanes, Mr. Nicholson was introduced by Senators Allard and Campbell, and Mr. Reynolds was introduced by Senators DeWine and Voinovich, and Representative Portman.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 407, to amend the Trademark Act of 1946 to provide for the registration and protection of trademarks used in commerce, in order to carry out provisions of certain international conventions, with an amendment in the nature of a substitute;

S. Res. 16, designating August 16, 2001, as "National Airborne Day";

S. Con. Res. 16, expressing the sense of Congress that the George Washington letter to Touro Synagogue in Newport, Rhode Island, which is on display at the B'nai B'rith Klutznick National Jewish Museum in Washington, D.C., is one of the most significant early statements buttressing the nascent American constitutional guarantee of religious freedom; and

The nominations of Roger L. Gregory, of Virginia, to be United States Circuit Judge for the Fourth Circuit; Richard F. Cebull and Sam E. Haddon, each to be a United States District Judge for the District of Montana, Ralph F. Boyd, Jr., of Massachusetts, to be an Assistant Attorney General, Civil Rights Division, Robert D. McCallum, Jr., of Georgia, each to be an Assistant Attorney General, Civil Division, and Eileen J. O'Connor, of Maryland, to be an Assistant Attorney General, Tax Division, all of the Department of Justice.

NOMINATION

Committee on Small Business: Committee ordered favorably reported the nomination of Hector V. Barreto, Jr., of California, to be Administrator of the Small Business Administration.

Prior to this action, committee concluded hearings on the nomination, after the nominee testified and answered questions in his own behalf.

VETERANS HEALTH ASSISTANCE

Committee on Veterans' Affairs: Committee concluded hearings on S. 739, to amend title 38, United States Code, to improve programs for homeless veterans, S. 1188, to amend title 38, United States Code, to enhance the authority of the Secretary of Veterans Affairs to recruit and retain qualified nurses for the Veterans Health Administration, S. 1160, to amend section 1714 of title 38, United States Code, to modify the authority of the Secretary of Veterans Affairs to provide dog-guides to blind veterans and authorize the provision of service dogs to hearing-impaired veterans and veterans with spinal cord injuries, S. 1042, to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, S. Res. 61, expressing the sense of the Senate that the Secretary of Veterans Affairs should recognize board certifications from the American Association of Physician Specialists, Inc., for purposes of the payment of special pay by the Veterans Health Administration, and proposed legislation to change the means test used by the Veterans Administration in determining whether veterans will be placed in enrollment priority group 5 or 7, after receiving testimony from Representative Evans; Thomas L. Garthwaite, Under Secretary of Veterans Affairs for Health, who was accompanied by several of his associates; Linda Boone, National Coalition for Homeless Veterans, Washington, D.C.; Jimmie L. Coulthard, Minnesota Assistance Council for Veterans, Minneapolis; Richard C. Schneider, Pentagon Federal Credit Union, Alexandria, Virginia, on behalf of the Non Commissioned Officers Association of the United States of America and the National Military and Veterans Alliance; and Daniel Shaughnessy, Tucson VA Medical Center, Tucson, Arizona, on behalf of the American Federation of Government Employees.

House of Representatives

Chamber Action

Bills Introduced: 17 public bills, H.R. 2562–2578; and 2 resolutions, H. Res. 203 and H. Res. 205, were introduced. **Pages H4351–52**

Reports Filed: Reports were filed as follows:

H.R. 1850, to extend the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century and to make technical corrections to the law governing the Commission (H. Rept. 107–147);

Conference report on H.R. 2216, making supplemental appropriations for the fiscal year ending September 30, 2001 (H. Rept. 107–148); and

H. Res. 204, waiving points of order against the conference report on H.R. 2216, making supplemental appropriations for the fiscal year ending September 30, 2001 (H. Rept. 107–149).

Pages H4281–H4303, H4351

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. B. William Vanderbloemen, Jr., Senior Pastor, Memorial Presbyterian Church of Montgomery, Alabama. **Page H4221**

Journal: Agreed to the Speaker's approval of the Journal of Wednesday, July 18 by a yea-and-nay vote of 368 yeas to 52 nays with 1 voting "present," Roll No. 249. **Pages H4221–22**

Community Solutions Act: The House passed H.R. 7, to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets, by a yea-and-nay vote of 233 yeas to 198 nays, Roll No. 254.

Pages H4233–81

By a recorded vote of 195 ayes to 234 noes, Roll No. 253, rejected the Conyers motion to recommit the bill to the Committee on the Judiciary with instructions to report it back forthwith with amendments that prohibit religious organizations from discriminating in employment on the basis of an employee's religion, religious belief, or refusal to hold a religious belief and further prohibits any preemption or supersedence of State or local civil rights laws. **Pages H4278–81**

Pursuant to the rule, in lieu of the amendments recommended by the Committee on Ways and Means and the Committee on the Judiciary (H. Rept. 107–138, Parts I and II) the amendment in the nature of a substitute printed in the Congressional Record of July 16 and numbered 1 was considered as adopted. **Pages H4239–43**

By a yea-and-nay vote of 168 yeas to 261 nays, Roll No. 252, rejected the Rangel amendment in the nature of a substitute printed in H. Rept. 107–144 that sought to specify that religious organizations receiving charitable choice program funding cannot discriminate in employment on the basis of religion or preempt state or local civil rights laws, prohibits instruction, worship, or proselytization at the same time and place as the government funded program, deletes indirect assistance and tort liability reform provisions, and offsets the cost of tax benefits by reducing the recent tax cut for the top income rate. **Pages H4263–78**

House agreed to H. Res. 196, the rule that provided for consideration of the bill by a recorded vote of 233 yeas to 194 nays, Roll No. 251. Earlier agreed to order the previous question by a yea-and-nay vote of 228 yeas to 199 nays, Roll No. 250.

Pages H4222–33

Disapproving Normal Trade Relations with the People's Republic of China: The House failed to pass H.J. Res. 50, disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China by a yea-and-nay vote of 169 yeas to 259 nays, Roll No. 255. **Pages H4303–29**

The joint resolution was considered pursuant to the unanimous consent order of the House of July 17.

Foreign Operations, Export Financing, and Related Programs Appropriations, 2002: The House completed general debate and began considering amendments to H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002. Consideration will resume on Tuesday, July 24. **Pages H4333–50**

Pursuant to the rule the amendments printed in H. Rept. 107–146 that strike section 566, prohibiting funding for the Kyoto Protocol, and provide that not less than $25 million may be made available for the Tropical Forest Conservation Act were considered as adopted. **Page H4345**

Agreed To:

Millender-McDonald amendment no. 28 printed in the Congressional Record of July 18 that makes available $5 million from the Child Survival and Health Programs Fund for assistance to prevent

mother-to-child HIV/AIDS transmission through effective partnerships with nongovernmental organizations and research facilities; **Pages H4345–46**

Withdrawn:

Souder amendment no. 35 printed in the Congressional Record of July 18 was offered but subsequently withdrawn that sought to make available $27 million for two Buffalo transport/supply aircraft for the Colombian National Police, $12 million for six Huey II patrol helicopters for the Colombian Navy, and $5 million for operating fuel for the Colombian Navy from International Narcotics Control and Law Enforcement funding; **Page H4346**

Delahunt amendment no. 17 printed in the Congressional Record of July 18 was offered but subsequently withdrawn that sought to require a report from the State Department on the implementation of the Colombian national security legislation passed by the Colombian Congress on June 20, 2001; **Pages H4346–47**

Jackson-Lee amendment no. 22 printed in the Congressional Record of July 18 was offered but subsequently withdrawn that sought to earmark $10 million from International Disaster Assistance funding for earthquake disaster relief and rehabilitation in India; and **Pages H4347–48**

Jackson-Lee amendment no. 21 printed in the Congressional Record of July 18 was offered but subsequently withdrawn that sought to prohibit assistance to any foreign government that conscripts children into the military. **Pages H4348–50**

H. Res. 199, the rule that is providing for consideration of the bill was agreed to by voice vote. **Pages H4329–33**

Recess: The House recessed at 9:31 p.m. and reconvened at 9:47 p.m. **Page H4350**

Senate messages: Message received from the Senate today appears on page H4222.

Referrals: S. 1190 was referred to the Committee on Ways and Means and S. Con. Res. 34 was referred to the Committee on International Relations. **Page H4351**

Amendments: Amendments ordered printed pursuant to the rule appear on pages H4353–54.

Quorum Calls—Votes: Five yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H4221–22, H4232–33, H4233, H4277–78, H4280–81, H4281, and H4328–29. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 9:49 p.m.

Committee Meetings

DRAFT FARM BILL CONCEPT

Committee on Agriculture: Concluded hearings to review Draft Farm Bill Concept. Testimony was heard from public witnesses.

NATIONAL MISSILE DEFENSE

Committee on Armed Services: Held a hearing on national missile defense. Testimony was heard from the following officials of the Department of Defense: Paul Wolfowitz, Deputy Secretary; and Lt. Gen. Ronald Kadish, USAF, Director, Ballistic Missile Defense Organization.

FEDERAL BUDGET PROCESS—STRUCTURAL REFORM

Committee on the Budget: Held a hearing on Federal Budget Process Structural Reform. Testimony was heard from Representative Cox; Barry B. Anderson, Deputy Director, CBO; Susan J. Irving, Director, Federal Budget Analysis, GAO; the following former Representatives: William E. Frenzel, State of Minnesota and Robert L. Livingston, State of Louisiana; and Robert D. Reischauer, former Director, CBO.

ENERGY ADVANCEMENT AND CONSERVATION ACT

Committee on Energy and Commerce: Ordered reported, as amended, the Energy Advancement and Conservation Act of 2001.

FLOOD INSURANCE PROGRAM

Committee on Financial Services: Subcommittee on Housing and Community Opportunity held a hearing on national Flood Insurance program and repetitive loss properties including the following bills: H.R. 1428, Two Floods and You Are Out of the Taxpayers' Pocket Act of 2001; and H.R. 1551, Repetitive Flood Loss Reduction Act of 2001. Testimony was heard from Representatives Bereuter, Baker, Bentsen and Blumenauer; Bob Shea, Acting Administrator, Flood Insurance Administration and Mitigation Directorate, FEMA; Stan Czerwinski, Director, Physical Infrastructure, GAO; and public witnesses.

AUDIO–VISUAL TECHNOLOGY BENEFITS—ADDRESSING RACIAL PROFILING

Committee on Government Reform: Held a hearing on "The Benefits of Audio-Visual Technology in Addressing Racial Profiling." Testimony was heard from Viet Dinh, Assistant Attorney General, Department of Justice; Royce West and Robert Duncan, both members of the Senate, State of Texas; Col.

Charles Dunbar, Jr., Superintendent, State Police, State Of New Jersey; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Crime approved for full Committee action, as amended, the following bills: H.R. 2505, Human Cloning Prohibition Act of 2001; and H.R. 1007, James Guelff Body Armor Act of 2001.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans approved for full Committee action the following bills: H.R. 1230, Detroit River International Wildlife Refuge Establishment Act; and H.R. 2062, amended, to extend the effective period of the consent of Congress to the interstate compact relating to the restoration of Atlantic salmon to the Connecticut River Basin and creating the Connecticut River Atlantic Salmon Commission.

OVERSIGHT—WESTERN ALASKA AND WESTERN PACIFIC COMMUNITY DEVELOPMENT QUOTA PROGRAMS

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans held a hearing to oversee the Western Alaska and Western Pacific Community Development Quota Programs, and on H.R. 553, Western Alaska Community Development Quota Program Implementation Improvement Act of 2001. Testimony was heard from Jim Balsiger, Alaska Regional Administrator, National Marine Fisheries Services, NOAA, Department of Commerce; Jeffrey Bush, Deputy Commissioner, Department of Community and Economic Development, State of Alaska; and public witnesses.

OVERSIGHT

Committee on Resources: Subcommittee on National Parks, Recreation, and Public Lands held an oversight hearing on the detrimental effects of Mormon crickets, and other grasshoppers, to the Great Basin area of the United States. Testimony was heard from Senator Bennett; Nina Rose Hatfield, Acting Director, Bureau of Land Management, Department of the Interior; Richard Dunkle, Deputy Administrator, Animal and Plant Health Inspection Service, USDA; Carey Peterson, Commissioner, Department of Agriculture and Food, State of Utah; Michael Anderson, Mayor, Oak City, Utah; and a public witness.

FY 2001 SUPPLEMENTAL APPROPRIATIONS

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report on H.R. 2216, making supplemental appropriations for the fiscal year ending September 30, 2001 and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Chairman Young of Florida.

NEXT GENERATION—AIR TRAFFIC MANAGEMENT SYSTEM

Committee on Science: Subcommittee on Space and Aeronautics held a hearing on Developing the Next Generation Air Traffic Management System. Testimony was heard from Sam Venneri, Associate Administrator; Aerospace Technology, NASA; Steve Zaidman, Associate Administrator, Research and Acquisitions, FAA, Department of Transportation; and public witnesses.

SMALL BUSINESS DEVELOPMENT CENTERS

Committee on Small Business: Subcommittee on Workforce, Empowerment and Government Programs held a hearing on proposed legislation to increase the extent and scope of services provided by Small Business Development Centers. Testimony was heard from Representatives Sweeney, Brady of Pennsylvania and Udall of New Mexico; Rudolph Cartier, Jr., Small Business Ombudsman, State of New Hampshire; and public witnesses

OVERSIGHT—STRATEGIES TO ADDRESS CONTAMINATED SEDIMENTS

Committee on Transportation and Infrastructure: Subcommittee on Water Resources and Environment held an oversight hearing on Strategies to Address Contaminated Sediments. Testimony was heard from Linda J. Fisher, Deputy Administrator, EPA; Dominic Izzo, Acting Assistant Secretary of the Army (Civil Works), Corps of Engineers, Department of the Army; and public witnesses.

VETERANS BENEFITS ACT

Committee on Veterans' Affairs: Ordered reported H.R. 2540, Veterans Benefits Act of 2001.

ADMINISTRATION'S PRINCIPLES TO STRENGTHEN AND MODERNIZE MEDICARE

Committee on Ways and Means: Held a hearing on the Administration's Principles to Strengthen and Modernize Medicare. Testimony was heard from Tommy G. Thompson, Secretary of Health and Human Services.

DECEPTIVE MAILING CONCERNING TAX REFUNDS

Committee on Ways and Means: Subcommittee on Oversight held a hearing on Deceptive Mailing Concerning Tax Refunds. Testimony was heard from Robert E. Wenzel, Commissioner, IRS, Department of the Treasury; and L.E.. Maxwell, Inspector In

Charge, Fraud, Child Exploitation, and Asset Forfeiture Division, Postal Inspection Service. U.S. Postal Service.

STATE DEPARTMENT BUDGET ISSUES

Permanent Select Committee on Intelligence: Met in executive session to hold a hearing on Department of State Budget Issues. Testimony was heard from departmental witnesses.

Joint Meetings

ELEMENTARY AND SECONDARY EDUCATION ACT

Conferees met to resolve the differences between the Senate and House passed versions of H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, but did not complete action thereon, and recessed subject to call.

SUPPLEMENTAL APPROPRIATIONS ACT

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 2216, making supplemental appropriations for the fiscal year ending September 30, 2001.

COMMITTEE MEETINGS FOR FRIDAY, JULY 20, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Finance: to continue hearings to examine trade adjustment assistance issues, 9:30 a.m., SD–215.

Committee on Veterans' Affairs: business meeting to consider the nomination of Gordon H. Mansfield, of Virginia, to be an Assistant Secretary of Veterans Affairs for Congressional Affairs, Time to be announced, Room to be announced.

House

Committee on Appropriations, Subcommittee on Legislative, to mark up appropriations for fiscal year 2002, 9 a.m., H–144 Capitol.

Committee on Energy and Commerce, Subcommittee on Telecommunications and the Internet, hearing entitled: "An Examination of the Entertainment Industry's Efforts to Curb Children's Exposure to Violent Content," 9:30 a.m., 2123 Rayburn.

Committee on Government Reform, Subcommittee on the District of Columbia, hearing on "Prisoner Release in the District of Columbia—The Role of Halfway Houses and Community Supervision in Prisoner Rehabilitation, 10 a.m., 2154 Rayburn.

Next Meeting of the **SENATE**

9:15 a.m., Friday, July 20

Senate Chamber

Program for Friday: Senate will begin consideration of the nominations of Roger L. Gregory, of Virginia, to be United States Circuit Judge for the Fourth Circuit, and Sam E. Haddon and Richard F. Cebull, each to be a United States District Judge for the District of Montana, with votes to occur thereon beginning at approximately 9:45 a.m.; following which, Senate will continue consideration of H.R. 2299, Department of Transportation Appropriations Act.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

9 a.m., Friday, July 20

House Chamber

Program for Friday: Consideration of the conference report on H.R. 2216, making supplemental appropriations for the fiscal year ending September 30, 2001 (rule waiving points of order).

Extensions of Remarks, as inserted in this issue

HOUSE

Bishop, Sanford D., Jr., Ga., E1373
Gillmor, Paul E., Ohio, E1371, E1372
Kucinich, Dennis J., Ohio, E1371, E1372, E1373
Miller, Gary G., Calif., E1372, E1373
Moran, Jerry, Kansas, E1373
Platts, Todd Russell, Pa., E1374
Rogers, Mike, Mich., E1374
Thompson, Mike, Calif., E1371, E1372, E1373

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