ADDITIONAL COSPONSORS

S. 6

At the request of Mr. DASCHLE, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 6, a bill to enhance homeland security and for other purposes.

S. 83

At the request of Mr. DURBIN, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 83, a bill to expand aviation capacity in the Chicago area, and for other purposes.

S. 113

At the request of Mr. KYL, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 113, a bill to exclude United States persons from the definition of ''foreign power'' under the Foreign Intelligence Surveillance Act of 1978 relating to international terrorism.

S. 160

At the request of Mr. BAUCUS, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 160, a bill to amend the Internal Revenue Code of 1986 to allow the expensing of broadband Internet access expenditures, and for other purposes.

S. 160

At the request of Mr. BURNS, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 160, supra.

S. 184

At the request of Mr. DODD, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 184, a bill to amend section 401 (b)(2) of the Higher Education Act of 1965 regarding the Federal Pell Grant maximum amount.

S. 196

At the request of Mr. ALLEN, the names of the Senator from Iowa (Mr. GRASSLEY), the Senator from Mississippi (Mr. COCHRAN), the Senator from Alabama (Mr. SESSIONS), the Senator from South Carolina (Mr. GRAHAM) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 196, a bill to establish a digital and wireless network technology program, and for other purposes.

S. 202

At the request of Mr. DEWINE, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Maine (Ms. COLLINS), the Senator from Ohio (Mr. VOINOVICH), the Senator from Alabama (Mr. SESSIONS), the Senator from Michigan (Mr. LEVIN), the Senator from Virginia (Mr. ALLEN) and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of S. 202, a bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income that deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 205

At the request of Mr. BIDEN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 205, a bill to authorize the issuance of immigrant visas to, and the admission to the United States for permanent residence of, certain scientists, engineers, and technicians who have worked in Iraqi weapons of mass destruction programs.

S. 215

At the request of Mrs. FEINSTEIN, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 215, a bill to authorize funding assistance for the States for the discharge of homeland security activities by the National Guard.

S.J. RES. 1

At the request of Mr. KYL, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. BUNNING), the Senator from Louisiana (Mr. BREAUX), the Senator from Idaho (Mr. CRAIG), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Mississippi (Mr. LOTT), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Arizona (Mr. MCCAIN), the Senator from Georgia (Mr. MILLER) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S.J. Res. 1, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

S. CON. RES. 1

At the request of Mr. SARBANES, the names of the Senator from Minnesota (Mr. DAYTON) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. Con. Res. 1, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRAIG (for himself, Mr. BAUCUS, Mr. LOTT, Mr. CRAPO, Mr. SESSIONS, Ms. SNOWE, Ms. COLLINS, Mr. COCHRAN, Mrs. LINCOLN, Mr. BURNS, and Mr. MILLER):

S. 219. A bill to amend the Tariff Act of 1930 to clarify the adjustments to be made in determining export price and constructed export price; to the Committee on Finance.

Mr. CRAIG. Mr. President, I come to the Chamber this morning, with a number of my colleagues, to discuss what is a critical issue in timber country across the United States, where men and women go to work every day in our sawmills only to find the mill has been shut down and the lights have been turned out.

As a result, that has been a problem which has grown for some time because of the Canadians, their style of production at this moment, and the huge volume of timber they are pouring into this country. It is a market condition that will continue to shut down many of our mills, some that will never turn on their lights again, some that will never again employ men and women in the small towns where most of those mills are across the country.

Today, some of my colleagues and I are introducing legislation to work cooperatively with the administration in trying to resolve this through negotiation. This legislation is being offered on behalf of myself, Senator BAUCUS, Senator CRAPO, my colleague from Idaho, who is in the Chamber, Senator SESSIONS, Senator SNOWE, Senator COLLINS, Senator COCHRAN, Senator BURNS, and Senator LINCOLN.

In introducing this legislation today, we are amending the Tariff Act of 1930 to clarify what is an appropriate deduction from the price of merchandise. We believe the deduction of the countervailing duty should be included in the calculation in determining whether or not and to what extent there have been sales dumped at less than fair market value in the United States.

Some time ago, we established a countervailing duty against Canadian products coming into this market. This is in response to that and the way it is calculated.

While the Department of Commerce has worked diligently on the softwood lumber case, the Canadian industry and Government continue to effectively avoid the countervailing duty and antidumping orders. The most recent move by the Canadian Government to avoid the countervailing duty is to declare a significant region of interior British Columbia bug kill timber. This particular green lumber—or timber in this case—is being sold at salvage prices and has flooded the amount of available timber already in the market.

The price for this timber is now as low as a dollar per thousand board feet, while the competitive market value is over $100 per thousand board feet—in other words, on the stump at the time of the sale.

I remind my colleagues a majority of this determined bug kill has not yet been affected by bugs. It is simply a decision made by the Canadian Government in this instance. Yet they are selling it at prices that are as if it had been affected by disease.

Next, British Columbia has revised their forest practice code to reduce costs to the lumber manufacturers by decreasing forestry standards and placing logging corporations in charge of

enforcement actions. That is like the U.S. Forest Service turning to the logging companies and saying the logging companies can enforce all of the environmental laws, as well as the laws under which we govern and manage our forests. We will turn that authority over to the logging companies.

What does this do to Canadian timber companies? It literally saves them millions of dollars in operating expenses.

These recent and blatant moves by the Canadians reveal their true desires to continue to flood the U.S. markets and their unwillingness to find a resolution that provides both security for U.S. and Canadian jobs.

Our proposal specifies that countervailing duties are to be treated as a cost of production, a clarification of the Trade Act that all duties should be considered a cost of production incurred on shipments to the United States. The deduction of countervailing duty would assist in determining whether or not and to what extent there have been sales dumped at less than fair market value in the United States.

Dumping is when a company sells a product into the United States for less than its cost of production. The Department of Commerce currently does not consider countervailing duties, which offset subsidies, as a cost of production when calculating the amount of dumping and requisite antidumping duties. The Department's policy of ignoring countervailing duties when calculating antidumping duties undervalues the actual amount of the dumping.

Fair value typically is the sales price of the merchandise in the country-of-origin market. The antidumping analysis compares fair value of a good from another country to the fair value of a good from the United States to determine if the good from another country was dumped at an unfair price in the U.S. market.

For example, in the U.S.-Canadian softwood lumber dispute, the Department of Commerce determined that the Canadian provinces subsidize their industry by providing lumber mills timber at prices that are 33 to 50 percent below market value. It also found that Canadian companies were selling lumber in the United States at below their subsidized cost of production, requiring an antidumping duty of 8.79 percent.

The antidumping duty currently undervalues the Canadian dumping practices by comparing a subsidized cost of production to the price of lumber rather than comparing the cost of production plus the countervailing duty to the price of lumber. It is all in the math, and in this kind of math it is quite obvious that Canadians are taking tremendous advantage of the marketplace. As I said earlier, the lights in the sawmills across America are going out.

Such a change in the Department's policy, we believe—those of us who have authored this legislation—is consistent with the practices of the European community and of Canada. It is time the Department of Commerce correct this accounting error, and it is time for the Canadian Government and their industry leaders to come to the table to negotiate a free and fair market price for both U.S. and Canadian lumber products.

I believe this Congress will not tolerate the kind of dumping activity that is going on in the market today, which appears to be at this moment not only blatant but an attempt to grab even a larger market share in this country.

For years, I have worked on this issue, and I clearly recognize the importance in the overall market of Canadian lumber in our market to meet our housing demands, but to do so and to expand that market base at a cost to U.S. jobs and U.S. producers is not fair, nor is it balanced. That is why we have introduced this legislation today.

Several other colleagues who are cosponsors in the legislation plan to come to the floor during this period of morning business to speak to this issue. I am extremely pleased to be joined by Senator BAUCUS, Senator LOTT, and Senator SNOWE. I mention those three specifically because they are on the Finance Committee. This is legislation that will be referred to the Finance Committee.

As my colleague from Idaho so clearly said, this is a simple correction in the law. It is a practice followed by other countries in Europe and Canada itself. Clearly, it would change the dynamics of how we deal with Canada, but it would also show the Canadians that we are not going to stand idly by and allow what is so blatant and so intentional in both the pricing of their stumpage and, therefore, the cost of entry into our market. Blatant dumping in the market for the purpose of gaining market share and putting some of our businesses out of business should not be tolerated.

We have all heard over the years the phrase ''mill town.'' It is so true today, still, in those areas of our country that are adjacent to private and public forests, that it is the sawmill that often is the larger employer in the community, providing excellent jobs at high pay to the men and women who live within that community. When that mill goes down and those citizens are out of work, there is no alternative, there are no other jobs, or there are limited jobs in the community. That community oftentimes is anywhere from 20 to 100 to 150 miles from the next community.

So that wage earner oftentimes is faced with a very tough choice he or she may have to make. That is not just to go search for another job but oftentimes to pick up their family and move from that small community they had chosen to live in and to raise their families. Why? Because a singular employee in this instance was either shut down or put out of business. Why? Because of predatory practices on the part of our friends to the north. And I say ''friends'' because I believe that. But certainly in this segment of their economy, they are choosing to enter the most lucrative timber market in the world—ours—with a thriving, aggressive homebuilding industry and an economy in the homebuilding industry that is very strong today, to supply that product.

I recognize the sheer demand for dimensional lumber in this market is much greater than both United States producers from private and public lands can supply, and Canadians can and have had and will have a substantial portion of our market. But now, to do so intentionally so the big boys can get bigger in Canada, putting oftentimes out of business the smaller producer here in the United States, is something we should not stand idly by and tolerate.

Mr. President, I see I am being joined in the Chamber by my colleague from Mississippi. Senator LOTT is a cosponsor of the legislation we have just introduced dealing with the Tariff Act of 1930. Mississippi has a thriving timber industry that is a major contributor to their State's economy, and especially to rural Mississippi's workforce. So I will be happy to yield to Senator LOTT for him to discuss this issue, of course, or any other issue he might wish to discuss.

Mr. BAUCUS. Mr. President, I rise today to discuss a much-needed clarification of current trade law. Misinterpretation of the current law hurts hundreds of American companies and thousands of American workers.

It is a misinterpretation that results in the understatement both of the degree of foreign unfair trade and the amount of duties necessary to offset it.

The legislation Senator CRAIG and I are proposing would clarify that, in an antidumping proceeding, countervailing duties paid by a foreign seller should be deducted from the U.S. price.

This legislation would rectify the current understatement of unfair trade and ensure that the true expenses of selling in the United States are recognized in the calculation of duties.

Now, I am here today because this issue is of particular importance to Montana's softwood lumber industry. For more than 20 years, I have stood beside our lumber industry as they have fought massive illegal subsidies by the Canadian government.

All they are asking for is a level playing field.

Unfortunately for everyone, this process has been stuck in an endless cycle of litigation. I hope we can end that, and get to a place where there is real market-based competition. But until we do, we must ensure that our fair trade laws are as strong as possible.

We have countervailing duty laws that offset unfair foreign subsidies. We also have antidumping laws that help ensure that foreign products are sold for a ''fair price'' in the United States,

a price that is comparable to the foreign price, and that reasonably reflects the cost of production.

But we can't make a fair comparison unless we factor in the cost of countervailing duties. It's that simple. We are letting unfair traders off the hook.

And we're doing so simply because of a misinterpretation of current law by the Department of Commerce. There is no sensible policy or legal rationale for this practice.

And I would note here that adopting this legislation would make our practice consistent with the practices of Canada and the European Union. For the life of me, I can't understand we wouldn't give our companies and workers trade laws that are as strong as those in the countries we compete against. That is just common sense.

I would also emphasize that Commerce itself could fix this problem if it were so inclined. Commerce could, for example, announce in an ongoing administrative review its intention to reconsider treatment of countervailing duties as a cost. The Department has often used such cases as a means to review policy.

The current policy makes no sense. It violates the statute. It fails to redress continued dumping. And it effectively discourages negotiations to end unfair trade.

Most importantly, correcting the current policy would force Canadian mills to make a clear choice, negotiate a long-term resolution or face higher duties.

In the absence of a voluntary change in policy by Commerce, I offer this legislation to clarify the statute.

This will ensure a fair comparison of prices and a more accurate measurement of the amount of dumping. It is just the right thing to do.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank Senator CRAIG for his leadership on this issue, and also Senator BAUCUS and Senator CRAPO, and a number of others whose States are being severely impacted by very unfair Canadian softwood lumber practices.

Forestry is the second largest crop in my State of Mississippi and represents $1.25 billion annually. But what we are dealing with is the dumping of this Canadian softwood into our region of the country.

''Dumping'' is when a company sells a product for less than the cost of production. But the Department of Commerce currently does not consider countervailing duties, which offset subsidies, as a cost of production when evaluating and calculating the amount of dumping and the requisite antidumping duties. The Department's policy of ignoring these countervailing duties when calculating antidumping duties undervalues the amount of the dumping of the products.

Let me just say, I have been working on this issue actually for years now. I have worked with the previous administration and have been working with this administration. Our Customs officials have tried to be helpful. And certainly the current Secretary of Commerce has been paying close attention to this issue, and I really appreciate it. But there are limits to what they can do without additional legislation that will make it clear how we will deal with these countervailing duties. So that is why this legislation has been introduced.

I think we must have had 8 or 10 Senators who met with the Secretary of Commerce and other officials of Commerce and discussed this problem and its continuing impact on this major industry in my State and in our country, and talked about the need to take some further actions to make sure we are properly evaluating the product that is being dumped in the United States.

The United States-Canada softwood lumber dispute is one that has been going on a long time. And it is clear from information we have that the Canadian provinces are subsidizing their industry by providing lumber mills timber at prices that are 33 to 50 percent below market value. Our Commerce Department has found that Canadian companies have been selling lumber in the United States but below their subsidized cost of production, requiring an antidumping duty of 8.79 percent. The fair market value calculation currently undervalues the Canadian dumping practices by comparing a subsidized cost of production to the cost of United States lumber rather than comparing the subsidized cost of production plus the countervailing duty to the cost of United States lumber.

That is what this legislation would do. It would correct this by specifying that the CVD duties are to be treated as a cost of production, a clarification of U.S. statute section 19, U.S.C. 1677, which states that all duties should be considered a cost of production incurred on shipments to the United States. Such a change of Department policy is consistent with practices in the European Union and, as a matter of fact, of Canada.

The legislation, in my opinion, will have an immediate impact because with the correction of this problem, then, the Canadian mills will face the prospect of paying considerably higher antidumping rates if the lumber market remains at the current low level. So I think this is something we need to do.

I have met with Canadian officials, including the Prime Minister, the Ambassador, and Members of their Parliament. I had the impression that while they recognized this is an economic problem in the United States and unfair, they do not believe we are going to take the necessary action to really get a result. And they have been dragging it out now for years.

I am going to meet with some Canadian Government officials even tomorrow. I am sure this issue will come up. But once they realize we are serious—I believe this administration, this Commerce Department is serious—we are not going to allow them to sell this product at below production of cost, and that we are also going to include in that figure the cost figure, the countervailing duty orders, I think maybe they will understand that we have to deal with this problem.

Even today, bug kill timber is being sold at salvage prices in the interior of British Columbia, which has increased the amount of available timber already on the market. The price for this timber is as low as $1 per 1,000 board feet, when the competitive market value is over $100 per thousand board feet. That gives you some concept of the disadvantage with which our American softwood lumber producers are dealing. Our lumber industry is in a crisis. Make no mistake about it. We have been losing mills. The product value is down. Production is down. If the current market conditions continue, many of our remaining lumber manufacturers will not survive the next 6 months. This is a critical situation, and it is one that is going to get much worse if we don't get some action quickly.

The U.S. lumber industry supports the Department's changed circumstances process. Therefore, I think this is a solution we can all work on. As a member of the Finance Committee, along with Senator BAUCUS, who also serves on the Finance Committee, we will make sure this legislation receives the consideration it deserves.

We urge our colleagues in the country that is one of our two or three best friends in the world, Canada, to work with us on this. This is an unfair situation, one that has been going on too long, one that is destroying an important part of our economy. I hope our Government will vigorously pursue the litigation that is now being considered. The WTO has already found that Canada has an actionable subsidy, meaning these duties will be imposed until provinces allow the market to determine the price of timber. Our Government should continue to pursue it.

Our Canadian friends and allies should work with us because this is a very unfair situation, one we are trying to remedy by making sure all of the costs of production, including the countervailing duties, are included in their calculations.

I congratulate Senator CRAIG for his leadership in this area, and I look forward to working with him in the future as we come forward with a proper solution to this critical issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I appreciate Senator LOTT coming to the Chamber this morning to speak on the role the timber industry plays in the

economy of Mississippi and how important it is. It is important to rural Mississippi, to rural Idaho, to rural America, where we struggle mightily to keep a viable productive job base.

Clearly over the last decade, the economy of this country flourished. And while all of that was going on, it was rural Idaho that felt much of the pain and shared not in that new growth economy, in part because of the very problem both Senator LOTT and I and Senator BAUCUS and others are addressing. My colleague Senator CRAPO spoke to the matter as well.

This is a relatively simple adjustment in trade law, but it could have a substantial impact on the Canadians and the current practices in which they are involved, practices we believe are not in the best interest of both governments and both countries.

To have a nearly ''cut at will'' policy, both in provincial and crown timber in Canada, is at best frustrating to some of us who believe not only is that bad policy but, from an environmental point of view, it is not an effectively balanced policy. Are the practices being adhered to that should be adhered to for the purposes of sustaining yields and ongoing production of timber? Or is it simply an effort to keep people at work, in this instance, and, more importantly now, because of the declaration of green timber unaffected by disease or bug, now being called bug kill timber, is it simply a policy to grab an increasingly larger portion of the market? When many of these medium- and small-size mills go down, oftentimes they don't come back. If they are down for a longer period of time, the workforce disperses in search of another job and, as a result of that, many of these mills that go down will stay down permanently.

That is exactly what larger producers in Canada are hoping for, as it will allow them an ever-increasing larger portion of the market here in the lower 48 States.

I hope the Finance Committee will hold hearings and move quickly on this issue. It is important for our economy and, more importantly, it is a small town, mill town issue that in many States, such as Idaho, Mississippi, Montana, and throughout the South where there are large timber reserves, becomes a critical way of sustaining the rural economy.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I appreciate the opportunity to join with my colleague from Idaho, Senator CRAIG, and with the other Senators he has listed who are cosponsoring this critical legislation.

Senator CRAIG has already laid out this circumstance. Some time ago, when we could not reach an agreement with Canada on this critical issue through trade negotiations, WTO and other trade sanctions were sought by American companies seeking to correct the problem that has been faced by subsidized timber flooding into the United States from Canada. As a result of that effort, the U.S. Department of Commerce found the Canadian provinces subsidize their industry by providing lumber mills timber at prices that are 33 to 50 percent below market value.

As Senator CRAIG has indicated, as a result of that, a countervailing duty was applied and the Canadian timber producers, who are trying to bring their timber into the United States, are now required to pay this countervailing duty as a cost for their subsidized timber.

The response of the Canadian Government to that has not been simply to comply and try to negotiate a new, workable softwood lumber agreement. Instead, the Canadian Government has continued to increase the available subsidies and to try to flood the United States markets with this timber. The outcome has been that from August 2000 to March 2001, the United States lumber manufacturers closed 27 mills permanently while only two Canadian mills were closed during that time. The reason, of course, was this continued support provided from the Canadian Government.

How was it provided? As has already been indicated, allegedly bug kill timber. But timber wood that has not faced the impact yet was provided for prices which were as low as $1 per 1,000 board feet when the market price for that timber would have been somewhere in the neighborhood of $100 per 1,000 board feet. This significantly subsidized timber has been brought into the United States, exacerbating the problem.

Second, as Senator CRAIG already indicated, the British Columbian government has already revised their forest practice code to reduce the cost of lumber manufacturers under their code, saving them millions of dollars annually. What we see is, in response to this anticompetitive situation of unfair trade practices that have been identified and which are now being dealt with in litigation, the Canadians have increased their subsidies and are continuing to flood timber into the United States markets.

A number of changes need to occur. But one of them needs to occur in U.S. law because as a part of the entire process, it is important to determine the amount of subsidy. The subsidy is determined by evaluating whether the price that is being charged to the Canadian producers is above or below their cost of production. One of the critical elements is determining that value.

Currently, we have found Canadian companies are selling their lumber into the United States at below their subsidized cost of production, requiring antidumping duty of 8.79 percent. The point I make is that their current subsidies are even below and make it so that they are able to provide their timber to U.S. markets below subsidized cost of production.

The legislation we are introducing today will require them to include the countervailing duty which they pay as a part of their cost of production in determining what their true subsidy is. As long as the United States does not require the Canadians to include their countervailing duties as a cost of their production, then the amount of the subsidy which we determine will be even less than it truly is. It will not be accurately reflected.

This is a simple change to clarify what is already on the books in the United States. This practice is pursued in Europe and in Canada already under their approach to these issues. It is only proper that the U.S. Government stand firmly behind this principle. Again, the principle is, when a nation is subsidizing its products and shipping them into U.S. markets to the detriment of our producers, that subsidy must be included as a cost of doing business when we calculate in our litigation with them the amount of subsidy and the resultant countervailing duties we can apply.

I don't believe there is a legitimate argument against this legislation. I realize nations across the world are trying to figure out how to continue to do the best they can for their producers to help them get their products into our markets. However, we have now very aggressive negotiations underway in bilateral trade arrangements as well as in multilateral trade arrangements such as the world trade negotiations seeking to bring down the level of subsidies across the world to a level of zero. That is our objective in our international trade negotiations. We cannot tolerate the continued defiance of these types of laws in our negotiations. That is the simple purpose behind this legislation.

The United States and the Department of Commerce and our United States trade negotiators in particular have been doing a tremendous job in helping deal with a very difficult situation resulting from the Canadian unfair trade practices in softwood lumber. They are to be commended for this. One of the things we need to provide to them as a tool in this ongoing process is a congressional and, indeed, American statutory declaration that countervailing duties must be included in the cost of production as we negotiate on these critical issues with our neighbors to the north.

I thank the Senate for this time. I thank my colleague Senator CRAIG for his leadership on this issue and the other Senators supporting this effort.

Ms. SNOWE. Mr. President, I am here today to cosponsor legislation that should help resolve the current crisis being faced by the U.S. softwood lumber industry, which continues to be devastated by the continuation of a ''wall of subsidized wood'' coming from four Canadian provinces that are effectively avoiding countervailing duty and antidumping orders of the U.S. Department of Commerce. This is causing

a crisis in current market conditions not only in Maine but across the Nation.

The purpose of the U.S. countervailing duty, or CVD, law, is to offset unfair foreign subsidies which cause injury to our U.S. producers. In the Canadian softwood lumber case, Commerce has determined that some Canadian provinces subsidize their lumber mills at prices that are 33 to 55 percent below market value. Currently, Canadian prices for salvage timber, for instance, are as low as $1 per thousand board feet at the same time the competitive market value is over $100 thousand board feet.

Our antidumping law is supposed to ensure that foreign products are not sold for less than its cost of production. Currently, the Department of Commerce does not consider countervailing duties as a cost of production, thereby undervaluing the Canadian dumping practices by comparing a subsidized cost of production to the price of lumber rather than comparing the cost of production plus the countervailing duty to the price of lumber. Ignoring countervailing duties when then calculating antidumping duties undervalues the actual amount of dumping, and is devastating to our U.S. softwood lumber industry.

The Craig/Baucus legislation that I am supporting today amends the Tariff Act of 1930 to clarify that countervailing duties should be added into the cost of production as it reflects the true cost of production by offsetting subsidies. This provision will rectify the problem of undervalued dumping duties and make U.S. trade policies consistent with those of our trading partners, such as Canada and the European Union.

Adopting this clarification should have an immediate market impact. With the correction of the current problem, Canadian mills would face the prospect of paying considerably higher antidumping rates if the lumber market remains at the current low level. This legislation should demonstrate the resolve of the U.S. government to reach a fair and permanent solution to the softwood lumber trade case by increasing the risk to Canadian companies if a negotiated settlement is not reached. The Canadian lumber industry and its governments must realize that the U.S. will continue to impose the required duty offsets until the subsidies and dumping stop.

I commend the Department of Commerce for their diligent work on the softwood lumber case with Canada and cannot urge our U.S. trade negotiators strongly enough to reach a settlement with Canada just as soon as possible before we have yet another U.S. mill close its doors for good. The subsidized and dumped lumber from Canada has been devastating to my State of Maine, where sawmills continue to close their doors for good, affecting entire rural communities where these businesses are located, and where the mills are often the major source of good paying jobs in these areas.

Moreover, if a negotiated settlement is not reached, I believe that the U.S. should vigorously pursue the litigation with the World Trade Organization, WTO, especially since the WTO has already found that Canada has an actionable subsidy, meaning duties will be imposed until provinces allow the market to determine the price of timber rather than provincial governments.

Again, this legislation being offered today by Senators from all regions of the country provides a much needed clarification of U.S. trade law, in keeping with those of Canada and the European Union, that will greatly help the U.S. softwood lumber industry out of its current economic crisis that has been caused by subsidized, underpriced imports, and I urge the support of my colleagues.

Mr. COCHRAN. Mr. President, I support the efforts of the Department of Commerce and United States Trade Representative to negotiate a fair trade agreement with Canada. We have a very important trading relationship with Canada. They are America's strongest trading partner, and I hope we can continue strengthening that relationship. However, Canada subsidizes its lumber mills, and those mills are dumping lumber in our domestic market. This has a devastating effect on the lumber industry in America, particularly in Mississippi where mills are closing each month.

Currently, the Department of Commerce has imposed a countervailing duty to offset the injury to our market. Canadian mills must pay a 29 percent duty on top of the cost of producing their lumber. To arrive at that duty rate, the Department of Commerce calculates what it costs Canadian lumber producers to process their lumber. In fact, a U.S. statute, §19 U.S.C. 1677, states that duties should be considered a cost of production incurred on shipments to the United States.

Today, Senators CRAIG, BAUCUS, BURNS, MILLER, CRAPO, LOTT, SESSIONS, SNOWE, COLLINS, LINCOLN, and I introduced a bill to clarify the law so that there is no misunderstanding of the rules under which the Department of Commerce calculates the duties imposed on illegally subsidized Canadian lumber. This recalculation would raise the price it costs Canadians to produce their lumber and would allow the Department of Commerce to raise the current 29 percent duty. The practice of subsidizing and dumping must be taken seriously.

I am hopeful that the recent trips by the U.S. Government to Canada can result in honest and fruitful negotiations leading to a fair lumber trading agreement. It is in the best interest of both of our countries that we reach an agreement. In my State, lumber is one of our most valuable agricultural products.

For years the mills in my state have endured unfair trading practices. Now that the U.S. is finally imposing duties to offset the injury to these mills, the Canadians are simply incorporating the duties into their cost of doing business. On behalf of the few remaining lumber mills in Mississippi I urge the Department of Commerce to uphold existing trade laws by counting duties as a cost.

By Mr. FITZGERALD:

S. 220. A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois; to the Committee on Energy and Natural Resources.

Mr. FITZGERALD. Mr. President, I rise today to introduce a bill to reinstate a license surrendered to the Federal Energy Regulatory Commission, FERC, that authorized the construction of a hydroelectric power plant in Carlyle, IL. In order to facilitate the construction of the hydroelectric power plant, the bill also contains a provision that extends the deadline for beginning construction of the plant.

Carlyle, IL, is a small community of 3,406 people in Southwestern Illinois, fifty miles east of St. Louis. Carlyle is situated on the Kaskaskia River at the southern tip of Carlyle Lake, which was formed in 1967 when the U.S. Army Corps of Engineers completed construction of a dam on the river. Carlyle Lake is 15 miles long and 3.5 miles wide, the largest man-made lake in Illinois.

When the Army Corps of Engineers constructed the dam, it failed to build a hydroelectric power plant to capitalize on the energy available from water flowing through the dam. A hydroelectric power facility in Carlyle would produce 4,000 kilowatts of power and provide a renewable energy source for surrounding communities. Furthermore, the environmental impact of adding a hydroelectric facility would be minimal, and such a facility, located at a site near the existing dam, would not produce harmful emissions.

In 1997, Southwestern Electric Cooperative obtained a license from the FERC to begin work on a hydroelectric project in Carlyle. In 2000, Southwestern Electric Cooperative surrendered their license because they were unable to begin the project in the required time period. The City of Carlyle is interested in constructing the hydroelectric power plant and is seeking to obtain Southwestern Electric Cooperative's license.

The bill I am introducing today is required for the construction of the facility. Legislation is necessary to authorize FERC to reinstate Southwestern Electric Cooperative's surrendered license. Because there is not enough time remaining on the license to conduct studies, produce a design for the facility, and begin construction of the project, the bill includes a provision that allows FERC to extend the applicable deadline.

The full Senate passed this bill, during the 107th Congress, on November 20, 2002 without opposition, but, the House

of Representatives was unable to act on this legislation before the 107th Congress adjourned.

This legislation is an easy and environmentally safe approach to meeting the energy needs of Southwestern Illinois. Please join me in supporting this measure to provide a clean alternative energy source for this part of the Midwest.

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. 220

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

SECTION 1. EXTENSION OF TIME FOR FEDERAL ENERGY REGULATORY COMMISSION PROJECT.

Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 11214, the Commission may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the Commission's procedures under that section—

(1) reinstate the license for the construction of the project as of the effective date of the surrender of the license; and

(2) extend the time period during which the licensee is required to commence the construction of the project for 3 consecutive 2-year periods beyond the date that is 4 years after the date of issuance of the license.

By Mr. FEINGOLD (for himself and Mr. MILLER):

S. 221. A bill to amend the Communications Act of 1934 to facilitate an increase in programming and content on radio that is locally and independently produced, to facilitate competition in radio programming, radio advertising, and concerts, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. FEINGOLD. Mr. President, I rise today to re-introduce legislation that will promote competition in the radio and concert industries.

This legislation will begin to address many of the concerns that I have heard from my constituents regarding the concentration of ownership in the radio and concert industry and its effect on consumers, artists, local businesses, and ticket prices.

Last year, I introduced this same legislation, and with the help of a wide range of organizations and other Senators, we put this issue on the front and center in Congress. I am pleased that a number of Committees are looking at this issue and considering holding hearings in the coming weeks.

With these hearings coming up, I want once again to bring this proposal to my colleagues attention. And as the Committee process works itself forward, I expect that we will discover additional issues to address that will strengthen the provisions in my legislation.

But this legislation is where Congress should begin its efforts to promote competition, diversity, and localism in radio.

I love radio. But, over the last year, I have learned that concentration of ownership in the radio and concert industry has made it difficult for individuals, artists, and organizations to find outlets to express their creativity and promote diversity.

Music and local news carried over the radio can help society to consider some of the most serious issues affecting our Nation: issues like war and peace, issues like social justice.

If the already diminishing number of gatekeepers of radio content chooses not to air controversial music because it may turn off advertisers, one of the most universal mediums to engage in dialogue will be lost. Regardless of our point of view, we must retain the ability of radio to show the diverse range of voices that form our culture.

I have heard many stories about the effects of this concentration. But perhaps the most compelling was at the annual Congressional Black Caucus event last year, when two people who have been involved in radio for decades told me about the real life importance of diversity in radio.

They spoke about the importance of the locally-owned media that helped raise public awareness of the campaign of the late Harold Washington to become the first black mayor of Chicago. They said that the main avenue for many in the central city to hear about the campaign was through locally-owned radio stations.

If an out-of-State corporation controlled the programming of these radio stations, would this political pioneer have received the same coverage?

I have also heard a great deal from religious organizations about how consolidation harms their ability to reach out in their communities. They have said that we must get to the root of the problem by curbing anti-competitive practices that make it difficult for locally-owned, independent radio stations to prosper.

I also learned about the story of Everett Parker, who during the civil rights movement of the 1960s was a pioneering defender of public interest in broadcasting.

In Dr. Parker's most famous crusade, he and the United Church of Christ went to Jackson, MS, to challenge the license renewals of stations that were blocking coverage of the civil rights movement, even though African-Americans constituted almost half of the audience.

By failing to cover the civil rights movement, the station failed all of the citizens of Jackson by limiting access to information on issues of public importance.

So, joining with the local NAACP, the group went to the Federal Communications Commission and challenged the licenses of the Jackson stations. The case went all the way to the Court of Appeals for the District of Columbia Circuit, which took away the station's license.

What makes this case so significant is that it established the right of any American to petition the Commission, instead of limiting such petitions to commercial interests.

The radio airwaves continued to be owned by the public. Radio is a public medium. It must serve the public good.

We must promote localism and diversity on our airwaves and crack down on anti-competitive practices that are a result of concentration in the radio and concert industry.

We must address negative consequences of the 1996 Telecommunications Act, which opened the floodgates for consolidation and led to anti-consumer and anti-competitive practices.

Just consider how the rise in ticket prices coincided with the passage of the Telecommunications Act. Following the passage of the Act, and the resulting consolidation of the radio and concert industry, ticket prices went through the roof!

Before the passage of the 1996 Act, ticket prices were increasing at a rate slightly higher than the Consumer Price Index. Following the Telecommunications Act of 1996, however, ticket prices have increased at a rate almost 50 percentage points higher than the Consumer Price Index. From 1996 to 2001, concert ticket prices rose by more than 61 percent, while the Consumer Price Index increased by just 13 percent.

During the debate of the 1996 Act, I joined a number of my colleagues in opposing the deregulation of radio ownership rules because of concerns about its effect on consumers, artists, independent radio stations, and local communities.

Passage of this Act was an unfortunate example of the influence of soft money in the political process. I have consistently said that this Act was bought and paid for by soft money, by unlimited contributions by corporations, unions and wealthy individuals to the political parties. Everyone was at the table, except for the consumers.

That's why I am pleased to re-introduce this legislation, the Competition in Radio and Concert Industries Act, which would reduce the levels of concentration and curb some of these anti-competitive practices.

My legislation prohibits those who own radio stations and concert promotion services or venues from leveraging their cross-ownership to hinder competition in the industry. For example, if an owner of a radio station and a promotion service hinders access to the airwaves of a rival promoter or artist, then the owner would be subject to penalties.

My legislation will also help to curb the concentration that leads to these anti-competitive practices.

It would strengthen the FCC merger review process by requiring the FCC to

scrutinize the mergers of any radio station ownership group that reaches more than 60% of the nation.

My legislation would also curb consolidation on the local level by preventing any upward revision of the limitation on multiple ownership of radio stations in local markets.

The bill would also prohibit the current shakedown system, where the big radio corporations are said to leverage their market power to require payments from artists in exchange for playing their songs. And it would also close a loophole that allows large radio ownership companies to exceed the cap by ''warehousing stations'' through a third party. In these cases, they control the station through a third party, but the stations are not counted against their local ownership cap.

Songs and ideas should not be broadcast on the radio based on how much money has changed hands. Airplay should be based on good songs and good ideas what the local audience wants to hear.

My legislation would slow the levels of concentration and address a number of concerns that I have heard from artists and others, although it does not address all the issues facing our communities.

Over the coming months, I hope that my colleagues will give this issue their attention, both on the floor and in committee.

I urge my colleagues to cosponsor this legislation so that we can work together to restore competition to the radio and concert industry by putting independent radio stations, local concert promoters, and artists on a level playing field.

People should have choices, listeners should have a diversity of options, and Americans should be able to hear new and different voices. Radio allows us to connect to our communities, to our culture, and to our democracy. It is one of the most vibrant mediums we have for the exchange of ideas, and for artistic expression. We must fight to preserve it, and together I believe we can do just that.

Radio is a public medium, and we must ensure that it serves the public good. That's a democratic vision of American radio well worth fighting for.

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

S. 222. A bill to approve the settlement of the water rights claims of the Zuni Indian Tribe in Apache County, Arizona, and for other purposes; to the Committee on Indian Affairs.

Mr. KYL. Mr. President, on behalf of Senator MCCAIN and myself I am introducing legislation today that would codify the settlement of the Zuni Indian Tribe's water rights for its religious lands in northeastern Arizona. Congress first recognized the importance of these lands in 1984 when it created the Zuni Heaven Reservation, Pub. L. 98–498, as amended by Pub. Law No. 101–486, 1990. For nearly a century, the small communities upstream from this Reservation have fully-appropriated the water from Little Colorado River for use in their homes and on their fields. Yet the Zuni Tribe asserted that it would need water to restore and use its Reservation lands. The prospect of dividing the limited water of the Little Colorado River with still another user created great uncertainly. To resolve that uncertainty and to avoid expensive and protracted litigation, the Zuni Tribe, the United States on behalf of the Zuni Tribe, the State of Arizona, including the Arizona Game and Fish Commission, the Arizona State Land Department, and the Arizona State Parks Board, and the major water users in this area of Arizona negotiated for many years to produce a water settlement that is acceptable to all parties.

This bill would provide the Zuni Tribe with the resources and protections necessary to acquire water rights from willing sellers and to restore and protect the wetland environment that the Zuni Tribe previously used. In return, the Zuni Tribe would waive its claim in the Little Colorado River Adjudication. In addition, the Zuni Tribe would, among other things, grandfather existing water uses and waive claims against many future water uses in the Little Colorado River basin. In summary, with this bill, the Zuni Tribe can achieve its needs for the Zuni Heaven Reservation while avoiding a disruption to local water users and industry. Furthermore, the United States can avoid litigating water rights and damage claims and satisfy its trust responsibilities to the Tribe regarding water for the Reservation. The parties have worked many years to reach consensus and I believe this bill would produce a fair result to all.

This legislation unanimously passed the Senate in the 107th Congress. Unfortunately, the House of Representatives adjourned and was unable to take action on the bill. We hope for its swift passage in the 108th Congress.

By Mrs. FEINSTEIN (for herself, Mr. GRASSLEY, Mr. CORZINE, and Mr. GREGG):

S. 223. A bill to prevent identity theft, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. FEINSTEIN. Mr. President, I rise, along with Senator GRASSLEY, Senator CORZINE, and Senator GREGG to introduce the Identity Theft Prevention Act.

This bill addresses the growing tide of identity theft cases by requiring banks, credit bureaus, and other financial institutions to take some practical steps to protect sensitive personal information.

What is identity theft? Identity theft occurs when one person uses another person's Social Security number, birth date, driver's license number, or other identifying information to obtain credit cards, car loans, phone plans or other services in the victim's name.

The criminal literally assumes the identity of the victim for illicit gain.

Identity theft has become the number one white collar crime of the new millennium, and Congress needs to make a major effort to protect Americans' personal information.

Hundreds of thousands of Americans are victimized by identity theft each year.

The personal losses as a result of these crimes are major. The average financial loss from an identity theft case is $17,000 and it takes a typical victim 18 months to restore his or her good credit.

In some cases, victims are falsely saddled with criminal records or are denied loans and other valuable financial services.

Identity theft is frighteningly easy to commit. One of my constituents, Kim Bradbury of Castro Valley, knows this too well. Kim reported that an identity thief obtained a credit card in her name through the Internet in less than 60 seconds. The false application only had her Social Security number and birth date correct.

Kim only found out she was an identity theft victim when a representative of a telemarketing company called her at home while she was feeding her one-year child. The representative told her that someone with a different address had applied for a credit card in Kim's name.

In Kim's case, it appears that her Social Security number was stolen by a fellow employee who also had stolen the identities of several dozen company employees. The thief ultimately stole over $100,000 in merchandise, including 20 cell phone accounts, via identity fraud.

All indicators suggest that the crime continues to grow at an alarming rate.

Just two months ago, Federal prosecutors announced the largest single identity theft case in U.S. history. Three individuals allegedly sold the credit and personal information of 30,000 people.

At one national credit reporting agency, consumers requested 53 percent more fraud alerts in fiscal year 2001 than fiscal year 2000.

As of December 2001, the Federal Trade Commission, FTC, Identity Theft Clearinghouse averaged more than 3,000 call-ins per week, a sevenfold increase since the clearinghouse began operation in November 1999.

The Identity Theft Prevention Act offers a series of practical steps to cut-off criminal access to sensitive consumer data.

No. 1, Credit card number truncation on receipts: first, the Identity Theft Prevention Act would require all new credit-card machines to truncate any credit card number printed on a customer receipt.

Thus, when a store gives a customer a receipt from a credit card purchase, only the last five digits of the credit card number will show.

This prevents identity thieves from stealing credit card numbers by retrieving discarded receipts.

Existing machines would have to be reprogrammed to truncate credit card numbers on receipts within four years after enactment of the legislation.

No. 2, Fraud alerts: the bill would give the Federal Trade Commission the authority to impose a fine on credit issuers who issue new credit to identity thieves despite the presence of a fraud alert on the consumer's credit file.

Too many credit card issuers are granting new cards without adequately verifying the identity of the applicant. Putting some teeth into fraud alerts will curb irresponsible granting of credit.

No. 3, Free credit reports: third, the legislation would entitle each consumer to one free credit report per year. Currently six States, Colorado, Georgia, Maryland, Massachusetts, New Jersey, and Vermont, have laws entitling consumers to one free credit report per year from the national credit bureaus.

According to identity theft victim advocates, identity theft is detected much earlier if consumers actively monitor their credit files. The cost of credit reports is a major obstacle to their use by consumers.

No. 4, Change of address: finally, the bill requires a credit card company to notify consumers when an additional credit card is requested on an existing credit account within 30 days of an address change request.

This provision addresses a common method of identity fraud where a criminal steals an individual's credit card number, and then obtains a duplicate card by informing the issuer of a change of address.

The Identity Theft Prevention Act requires financial institutions to implement needed precautions to prevent identity fraud and protect a person's good name.

Verifying a credit applicant's address, complying with ''fraud alerts'', and truncating credit numbers on receipts are all measures that will make it harder for criminals to engage in identity fraud.

It is appropriate and necessary for financial institutions to take these steps. These companies have a responsibility to prevent fraudsters from using their services to harm the good name of other citizens.

Morever, in this complex, information-driven society, consumers simply can't protect their good name on their own.

I strongly believe this legislation will provide desperately needed tools to combat identity theft, and I look forward to working with my colleagues to secure its passage.

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

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

S. 223

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 ''Identity Theft Prevention Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the crime of identity theft has become one of the major law enforcement challenges of the new economy, as vast quantities of sensitive, personal information are now vulnerable to criminal interception and misuse;

(2) in November 2002, Americans were alerted to the dangers of identity theft when Federal prosecutors announced that 3 individuals had allegedly sold the credit and personal information of 30,000 people, the largest single identity theft case in United States history;

(3) hundreds of thousands of Americans are victims of identity theft each year, resulting in an annual cost to industry of more than $3,500,000,000.

(4) several indicators reveal that despite increased public awareness of the crime, the number of incidents of identity theft continues to rise;

(5) in December 2001, the Federal Trade Commission received an average of more than 3,000 identity theft calls per week, a 700 percent increase since the Identity Theft Data Clearinghouse began operation in November 1999;

(6) allegations of social security number fraud increased by 500 percent between 1998 and 2001, from 11,000 to 65,000;

(7) a national credit reporting agency reported that consumer requests for fraud alerts increased by 53 percent during fiscal year 2001;

(8) identity theft violates the privacy of American citizens and ruins their good names;

(9) victims of identity theft may suffer restricted access to credit and diminished employment opportunities, and may spend years repairing the damage to credit histories caused by identity theft;

(10) businesses and government agencies that handle sensitive personal information of consumers have a responsibility to protect this information from identity thieves; and

(11) the private sector can better protect consumers by implementing effective fraud alerts, affording greater consumer access to credit reports, truncating of credit card numbers, and establishing other prevention measures.

SEC. 3. IDENTITY THEFT PREVENTION.

(a) CHANGES OF ADDRESS.—

(1) DUTY OF ISSUERS OF CREDIT.—Section 132 of the Truth in Lending Act (15 U.S.C. 1642) is amended—

(A) by inserting ''(a) IN GENERAL.—'' before ''No credit''; and

(B) by adding at the end the following:

''(b) CONFIRMATION OF CHANGES OF ADDRESS.—If a card issuer receives a request for an additional credit card with respect to an existing credit account not later than 30 days after receiving notification of a change of address for that account, the card issuer shall—

''(1) not later than 5 days after sending the additional card to the new address, notify the cardholder of the request at both the new address and the former address; and

''(2) provide to the cardholder a means of promptly reporting incorrect changes.''.

(2) ENFORCEMENT.—

(A) FEDERAL TRADE COMMISSION.—Except as provided in subparagraph (B), compliance with section 132(b) of the Truth in Lending Act (as added by this subsection) shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that Act.

(B) OTHER AGENCIES IN CERTAIN CASES.—

(i) IN GENERAL.—Compliance with section 132(b) of the Truth in Lending Act shall be enforced under—

(I) section 8 of the Federal Deposit Insurance Act, in the case of a card issuer that is—

(aa) a national bank or a Federal branch or Federal agency of a foreign bank, by the Office of the Comptroller of the Currency;

(bb) a member bank of the Federal Reserve System (other than a national bank), a branch or agency of a foreign bank (other than a Federal branch, Federal agency, or insured State branch of a foreign bank), a commercial lending company owned or controlled by a foreign bank, or an organization operating under section 25 or 25A of the Federal Reserve Act, by the Board of Governors of the Federal Reserve System;

(cc) a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System or a national nonmember bank) or an insured State branch of a foreign bank, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(dd) a savings association, the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

(II) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration in the case of a card issuer that is a Federal credit union, as defined in that Act.

(C) VIOLATIONS TREATED AS VIOLATIONS OF OTHER LAWS.—

(i) IN GENERAL.—For the purpose of the exercise by any agency referred to in this paragraph of its powers under any Act referred to in this paragraph, a violation of section 132(b) of the Truth in Lending Act (as added by this subsection) shall be deemed to be a violation of a requirement imposed under that Act.

(ii) AGENCY AUTHORITY.—In addition to its powers under any provision of law specifically referred to in subparagraph (A) or (B), each of the agencies referred to in those subparagraphs may exercise, for the purpose of enforcing compliance with section 132(b) of the Truth in Lending Act, any other authority conferred on such agency by law.

(b) FRAUD ALERTS.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following:

''(g) FRAUD ALERTS.—

''(1) DEFINED TERM.—In this subsection, the term 'fraud alert' means a statement in the file of a consumer that notifies all prospective users of a consumer report made with respect to that consumer that—

''(A) the consumer's identity may have been used, without the consumer's consent, to fraudulently obtain goods or services in the consumer's name; and

''(B) the consumer does not authorize the issuance or extension of credit in the name of the consumer unless the issuer of such credit—

''(i) obtains express preauthorization from the consumer at a telephone number designated by the consumer; or

''(ii) utilizes another reasonable means of communications to obtain the express preauthorization of the consumer.

''(2) INCLUSION OF FRAUD ALERT IN CONSUMER FILE.—Upon the request of a consumer and upon receiving proper identification, a consumer reporting agency shall include a fraud alert in the file of that consumer.

''(3) NOTICE SENT BY CONSUMER REPORTING AGENCIES.—A consumer reporting agency shall notify each person procuring consumer credit information with respect to a consumer of the existence of a fraud alert in the file of that consumer, regardless of whether

a full credit report, credit score, or summary report is requested.

''(4) PROCEDURES TO RECEIVE FRAUD ALERTS.—Any person who uses a consumer credit report in connection with a credit transaction shall establish reasonable procedures to receive fraud alerts transmitted by consumer reporting agencies.

''(5) VIOLATIONS.—

''(A) CONSUMER REPORTING AGENCY.—Any consumer reporting agency that fails to notify any user of a consumer credit report of the existence of a fraud alert in that report shall be in violation of this section.

''(B) USER OF A CONSUMER REPORT.—Any user of a consumer report that fails to comply with preauthorization procedures contained in a fraud alert and issues or extends credit in the name of the consumer to a person other than the consumer shall be in violation of this section.

''(6) EXCEPTIONS.—

''(A) RESELLERS.—

''(i) IN GENERAL.—The provisions of this subsection do not apply to a consumer reporting agency that acts as a reseller of information by assembling and merging information contained in the database of another consumer reporting agency or multiple consumer reporting agencies, and does not maintain a permanent database of the assembled or merged information from which new consumer reports are produced.

''(ii) LIMITATION.—A reseller of assembled or merged information shall preserve any fraud alert placed on a consumer report by another consumer reporting agency.

''(B) EXEMPT INSTITUTIONS.—The requirement under this subsection to place a fraud alert in a consumer file shall not apply to—

''(i) a check services company, which issues authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments; or

''(ii) a demand deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a consumer request for a demand deposit account at the inquiring bank or financial institution.''.

SEC. 4. TRUNCATION OF CREDIT CARD ACCOUNT NUMBERS.

(a) IN GENERAL.—Except as provided in this section, no person, firm, partnership, association, corporation, or limited liability company that accepts credit cards for the transaction of business shall print more than the last 5 digits of the credit card account number or the expiration date upon any receipt provided to the cardholder.

(b) LIMITATION.—This section—

(1) applies only to receipts that are electronically printed; and

(2) does not apply to transactions in which the sole means of recording the cardholder's credit card account number is by handwriting or by an imprint or copy of the credit card.

(c) EFFECTIVE DATE.—This section shall take effect—

(1) on the date that is 4 years after the date of enactment of this Act, with respect to any cash register or other machine or device that electronically prints receipts for credit card transactions that is in use prior to the date of enactment of this Act; and

(2) on the date that is 18 months after the date of enactment of this Act, with respect to any cash register or other machine or device that electronically prints receipts for credit card transactions that is first put into use on or after the date of enactment of this Act.

(d) EFFECT ON STATE LAW.—Nothing in this section prevents a State from imposing requirements that are the same or substantially similar to the requirements of this section at any time before the effective date of this section.

SEC. 5. FREE ANNUAL CREDIT REPORT.

Section 612(c) of the Fair Credit Reporting Act (15 U.S.C. 1681j(c)) is amended to read as follows:

''(c) FREE ANNUAL DISCLOSURE.—Upon the request of the consumer and without charge to the consumer, a consumer reporting agency shall make all the disclosures listed under section 609 once during any 12-month period.''.

By Mr. BIDEN (for himself, Mr. GRASSLEY, Mr. LIEBERMAN, and Mrs. FEINSTEIN):

S. 226. A bill to prohibit an individual from knowingly opening, maintaining, managing controlling, renting, leasing, making available for use, or profiting from any place for the purpose of manufacturing, distributing, or using any controlled substance, and for other purposes; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today, along with my good friend, the senior Senator from Iowa, Senator GRASSLEY, to introduce the Illicit Drug Anti-Proliferation Act. This legislation arises out of a hearing Senator GRASSLEY and I held in the Senate Caucus on International Narcotics Control in December 2001 on the proliferation of Ecstasy and other club drugs generally, and the role of some promoters of all-night dance parties, known as ''raves'', in distributing Ecstasy to young people. Our bill provides Federal prosecutors the tools needed to combat the manufacture, distribution or use of any controlled substance at any venue whose purpose is to engage in illegal narcotics activity. Rather than create a new law, our bill merely amends a well-established statute to make clear that anyone who knowingly and intentionally uses their property, or allows another person to use their property, for the purpose of distributing or manufacturing or using illegal drugs can be held accountable, regardless of whether the drug use is ongoing or occurs at a single event.

While my legislation is aimed at the defendant's predatory behavior, regardless of the type of drug or the particular place in which it is being used or distributed, one problem that we are facing currently involves so-called ''club drugs'' and raves. According to a report which the Partnership for a Drug Free America will release in the near future, teens who report attending a rave are seven times more likely to have tried Ecstasy than teens who report not attending a rave. I find this statistic quite troubling.

Despite the conventional wisdom that Ecstasy and other club drugs are ''no big deal,'' a view that even the New York Times Magazine espoused in a cover story, these drugs can have serious consequences, and can even be fatal. Just last month we got some encouraging news: after years of steady increase, Ecstasy use is finally beginning to decrease among teens. That said, the rate of use remains unacceptably high and we still have quite a bit of work to do to counter the widespread misconception that Ecstacy is harmless, fashionable and hip.

At the Drug Caucus hearing, witnesses testified that rogue rave organizers commonly go to great lengths to portray their events as safe so that parents will allow their kids to attend. They advertise their parties as alcohol-free events and some even hire off-duty police officers to patrol outside the venue. But the truth is that some of these raves are drug dens where use of Ecstasy and other ''club drugs'', such as the date rape drugs Rohypnol, GHB and Ketamine, is widespread.

But even as these promoters work to make parents think that their events are safe, they send a different message to kids. Their promotional flyers make clear that drugs are an integral part of the party by prominently featuring terms associated with drug use, such as the letters ''E'' or ''X''—street terms for Ecstasy, or the term ''rollin''', which refers to an Ecstasy high. They are, in effect, promoting Ecstasy along with the rave.

By doing so, unscrupulous promoters get rich as they exploit and endanger kids. Some supplement their profits from the $10 to $50 cover charge to enter the club by selling popular Ecstasy paraphernalia such as baby pacifiers, glow sticks, or mentholated inhalers. And predatory party organizers know that Ecstasy raises the core body temperature and makes the user extremely thirsty, so they sell bottles of water for $5 or $10 apiece. Some even shut off the water faucets so club goers will be forced to buy water or pay admission to enter an air-conditioned ''cool down room.''

After the death of a 17-year-old girl at a rave party in New Orleans in 1998, the Drug Enforcement Administration conducted an assessment of rave activity in that city which showed the close relationship between these parties and club drug overdoses. In a two year period, 52 raves were held at the New Orleans State Palace Theater, during which time approximately 400 teenagers overdosed and were treated at local emergency rooms. Following ''Operation Rave Review'' which resulted in the arrest of several rave promoters and closing the city's largest rave, overdoses and emergency room visits dropped by 90 percent and Ecstasy overdoses were eliminated.

State and local governments have begun to take important steps to crack down on rave promoters who allow their events to be used as havens for illicit drug activity. In Chicago, where Mayor Daley has shown great leadership on this issue, it is a criminal offense to knowingly maintain a place, such as a rave, where controlled substances are used or distributed. Not only the promoter, but also the building owner and building manager can be

charged under Mayor Daley's law. The State of Florida has a similar statute making such activity a felony.

And in Modesto, California, police officers are offering ''rave training classes'' to parents to educate them about the dangers associated with some raves and the club drugs often associated with them.

At the Federal level, there have been four cases in which Federal prosecutors have used the so called ''crack house statute'' or other Federal charges to go after rogue rave promoters. These cases, in Little Rock, AR, Boise, ID, Panama City, FL, and New Orleans, LA, have had mixed results, culminating in two wins, a loss and a draw, suggesting that there may be a need to tailor this Federal statute more precisely to the problem at hand. As a result, last session I proposed legislation which would do just that. I am reintroducing it today and I am pleased to have Senator GRASSLEY once again as the lead cosponsor. I might note that the legislation is also included in the Democratic leadership crime bill.

After I introduced this legislation last year, a great deal of misinformation began circulating about it. I want to make the record clear. Simply stated, my bill provides technical corrections to an existing statute, one which has been on the books for 16 years and is well established.

Critics of my bill have asserted that if the legislation were to become law ''there would be no way that someone could hold a concert and not be liable'' and that the bill ''holds the owners and the promoters responsible for the actions of the patrons.'' That is simply untrue. We know that there will always be certain people who will bring drugs into musical or other events and use them without the knowledge or permission of the promoter or club owner. This is not the type of activity that my bill would address. The purpose of my legislation is not to prosecute legitimate law-abiding managers of stadiums, arenas, performing arts centers, licensed beverage facilities and other venues because of incidental drug use at their events. In fact, when crafting this legislation, I took steps to ensure that it did not capture such cases. My bill would help in the prosecution of rogue promoters who not only know that there is drug use at their event but also hold the event for the purpose of illegal drug use or distribution. That is quite a high bar.

I ask unanimous consent that a letter from the Coalition of Licensed Beverage Associations, COLBA, be printed at the end of my statement. COLBA, who initially expressed concerns that my bill would make their members liable for the actions of their patrons, has endorsed my legislation because they realized that my bill was not aimed at responsible party promoters.

I am confident that the overwhelming majority of promoters are decent, law abiding people who are going to discourage drug use, or any other illegal activity, at their venues. But there are a few promoters out there who are taking steps to profit from drug activity at their events. Some of these folks actually distribute drugs themselves or have their staff distribute drugs, get kickbacks from drug sales at their events, have thinly veiled drug messages on their promotional flyers, tell their security to ignore drug use or sales, or send patients who need medical attention because of a drug overdose to a hospital across town so that people won't link emergency room visits with their club. What they are doing is illegal under current law. My bill would not change that fact. Let me be clear. Neither current law nor my bill seeks to punish a promoter for the behavior of their patrons. As I mentioned, the underlying crack house statute has been on the books since 1986, and I am unaware of this statute ever being used to prosecute a legitimate business.

The legislation simply amends the current ''crack house statute'' in two minor ways. First, it clarifies that Congress intended for the law to apply not just to ongoing drug distribution operations, but to ''single-event'' activities, such as a party where the promoter sponsors the event with the purpose of distributing Ecstasy or other illegal drugs. After all, a drug dealer can be arrested and prosecuted for selling one bag of drugs, and the government need not show that the dealer is selling day after day, or to multiple sellers. Likewise, the bill clarifies that a ''one-time'' event where the promoter knowingly distributes Ecstasy over the course of an evening, for example, violates the statute the same as a crack house which is in operation over a period of time. Second, the bill makes the law apply to outdoor as well as indoor venues, such as where a rogue rave promoter uses a field to hold a rave for the purpose of distributing a controlled substance. Those are the only changes the bill makes to the crack house statute. It does not give the Federal Government sweeping new powers as the detractors have asserted.

Critics of the bill have also claimed that it would provide a disincentive for promoters to take steps to protect the public health of their patrons including providing water or air conditioned rooms, making sure that there is an ambulance on the premises, etc. That is not my intention. And to underscore that fact, I plan to remove the findings, which is the only place in the bill where these items are mentioned, from the bill. Certainly there are legitimate reasons for selling water, having a room where people can cool down after dancing, or having an ambulance on hand. Clearly, the presence of any of these things is not enough to signify that an event is ''for the purpose of'' drug use.

The reason that I introduced this bill was not to ban dancing, kill the ''rave scene'' or silence electronic music, all things of which I have been accused. Although this legislation grew out of testimony I heard at a number of hearings about the problems identified at raves, the criminal and civil penalties in the bill would also apply to people who promoted any type of event for the purpose of drug use or distribution. If rave promoters and sponsors operate such events as they are so often advertised as places for people to come dance in a safe, drug-free environment then they have nothing to fear from this law. In no way is this bill aimed at stifling any type of music or expression it is only trying to deter illicit drug use and protect kids.

Last year people criticized the bill's title, the ''RAVE Act'', because they thought it was unfairly targeting raves. Although I do not believe that I was unfairly targeting anybody, I have changed the title to the ''Illicit Drug Anti-Proliferation Act of 2003.''

In addition to amending the crack house statute, the legislation also addresses the low penalties for trafficking gamma hydroxybutyric acid, GHB, by directing the United States Sentencing Commission to examine the current penalties and consider increasing them to reflect the seriousness of offenses involving GHB. Currently, GHB penalties are simply too low. In order to get five years for a GHB offense, you have to have more than 13 gallons of the drug, equivalent to 100,000 doses and a street value of about $1 million. According to the DEA, bigtime GHB dealers distribute approximately one gallon quantities of the drug, the penalty for which is currently only between 15 and 21 months. These cases simply aren't being prosecuted at the Federal level because the penalties are so low. The Sentencing Commission needs to take a look at this problem and consider raising the penalties for this dangerous drug.

But the answer to the problem of drug use at raves is not simply to prosecute irresponsible rave promoters and those who distribute drugs. There is also a responsibility to raise awareness among parents, teachers, students, coaches, religious leaders, etc. about the dangers of the drugs used and sold at raves. The DEA is already doing some of this through its club drug awareness campaign, where DEA agents are holding conferences with local women legislators to get information out about the dangers of these substances. The legislation provides funds to the DEA to continue this important work. Further, the bill authorizes nearly $6 million for the DEA to hire a Demand Reduction Coordinator in each state who can work with communities following the arrest of a significant local trafficker to reduce the demand for drugs through prevention and treatment programs.

It is the unfortunate truth that some raves are havens for illicit drugs. Enacting the Illicit Drug Anti-Proliferation Act will help to prosecute the promoters who seek to profit from exploiting and endangering young lives and

will take steps to educate youth, parents and other interested adults about the dangers of Ecstasy and other club drugs associated with raves.

I hope that my colleagues will join me and support this legislation.

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

COALITION OF LICENSED BEVERAGE ASSOCIATION,
Alexandria, VA, October 15, 2002.

Senator JOE BIDEN,
Chairman, Senate Judiciary Committee, Hart Senate Office Building,
Washington, DC.

DEAR MR. CHAIRMAN: The Coalition of Licensed Beverage Associations (COLBA) is a national association representing the interests of private-sector licensed beverage retailers who sell and serve alcohol beverages. COLBA represents both on-premise and off-premise alcohol beverage licensees. It is dedicated to preserving States' rights to ensure legal sales of alcohol to persons of legal-consumption age to maintaining high standards for the retail sale of alcohol.

Like you, Mr. Chairman, COLBA members have become increasingly concerned with the trafficking and use of the drug Ecstasy. As you know, much of the abuse of Ecstasy and other club drugs happens at all-night dance parties known as ''raves.'' Rave organizers often go to great lengths to portray their events as safe, alcohol-free parties in order to persuade parents to allow their children to attend. Such events tend to reflect negatively on the legitimate licensed beverage industry and its many small businesses.

COLBA supports state and local government's efforts to crack down on rave promoters who allow their events to be used as havens for illicit drug activity. COLBA also supports your effort to strengthen the current statues to provide law enforcement and prosecutors with the tools necessary to bring a halt to this activity.

Initially COLBA had concerns about your legislation effort and felt that if it were to become law any concert or special event holder would be held liable for incidental drug use. There was a misconception in the industry that the bill would hold the owners and the promoters of non-rave events responsible for the actions of the patrons.

However, it is the understanding of COLBA that the purpose of the Rave Act legislation is not to prosecute legitimate law-abiding managers of stadiums, arenas, performing arts centers, licensed beverage facilities and other venues due to incidental drug use at their events. The purpose of the Rave Act is the prosecution of rogue promoters who not only know that there is illegal drug use at their event, but also hold the event for the purpose of illegal drug use or distribution.

In light of this clarification by your gracious and dedicate staff, the Coalition now understand the intent of your legislative effort and fully supports the passage of the Rave Act. Please feel free to contact me if you need any additional information or if I can be of any further assistance.

Respectfully,

DAVID S. GERMROTH.
Washington Representative.

Mr. GRASSLEY. Mr. President, I am pleased to join my colleague Senator BIDEN today in introducing the Illicit Drug Anti-Proliferation Act. This is a continuation of an effort he and I spearheaded last year to update our laws so they can continue to be used effectively against drug dealers who are pushing drugs on our kids.

As drug dealers discover new drugs and new methods of pushing their poison, we must make sure our legal system is adequately structured to react appropriately. I believe this legislation does that.

Our proposal will modify the existing crack house statute so that its jurisdiction over temporary events, such as raves, would be more clear. And although this legislation grew out of the problems identified at raves, the criminal and civil penalties in the bill would also apply to people who promoted any type of event for the purpose of drug use or distribution. Illegal drug use in any location should not be tolerated, regardless of what cover activity is created to hide the transaction.

This said, I want to emphasize that our legislation should in no way hamper the activities of legitimate event promoters. I realize that drugs are not widely available at all raves or other events open to the public. And I know that my colleagues Senator BIDEN is just as aware as I am that drug use occurs at events without the knowledge or endorsement of the event promoters. This legislation should not affect the activities of legitimate event promoters. In no way is our bill aimed at stifling any type of music or public expression, it is only trying to deter illicit drug use and protect kids.

The sale of illicit narcotics, whether on a street corner here in Washington, D.C., or a warehouse in Des Moines, IA, must be confronted and halted wherever possible. One of the new, ''trendy'' illicit narcotics is Ecstasy—an especially popular club drug that is all too often being sold at all-night dance parties, or raves. Ecstasy is an illegal drug that has extremely dangerous side effects.

In general, Ecstasy raises the heart rate to dangerous levels, and in some cases the heart will stop. It also causes severe dehydration, a condition that is exacerbated by the high levels of physical exertion that happens at raves. Users must constantly drink water in an attempt to cool off—a fact that some unscrupulous event promoters take advantage of by charging exorbitant fees for bottles of water, after cutting off water to drinking fountains and rest room sinks.

Too often, Ecstasy users collapse and die because their bodies overheat. And even those who survive the short-term effects of Ecstasy use can look forward to long-term problems such as depression, paranoia, and confusion, as scientists have learned that Ecstasy causes irreversible changes to the brain.

Many young people perceive Ecstasy as harmless and it is wrongly termed a recreational or ''kid-friendly'' drug. This illegal substance does real damage to real lives. Although targeted at teenagers and young adults, its use has spread to the middle-aged population and rural areas, including my own State of Iowa. Ninety percent of all drug treatment and law enforcement experts say that Ecstasy is readily accessible in this country. We cannot continue to allow easy access to this drug or ignore the consequences of its use.

That is why I believe it is important that we update the laws that have been effectively used to shut down crack houses so they can go after temporary events used as a cover to sell drugs. It is important to remember that this legislation builds upon an existing statute, with existing case law, and therefore existing standards of how it is to be implemented. The existing statute has been used to go after landlords who ''knowingly and intentionally'' let their property be used for illegal narcotics activities. It has not, nor should it be used, to take action against every landlord of every property where drug activity takes place.

Similarly, the expansion of authorities created by this legislation is designed to target promoters who ''knowingly and intentionally'' allow drug use at their events. This is a high standard that should protect event promoters from casual application of this statute. Clearly, taking steps to reduce or eliminate drug use at an event, such as the posting of signs or through zero-tolerance instructions to security personnel, are not actions that would be taken by someone who would intentionally allow drug use to occur at an event.

I believe an event promoter does have some responsibility for what goes on at an event that they create. Particularly if they knowingly create an event for the purpose of buying, using, keeping, or selling drugs. While not common, there have been court cases which have been able to reach this high standard of proof. Using 21 U.S.C. 856, more popularly known as the ''crack house'' statute, law enforcement has arrested drug dealers who hosted raves and other dance events as a cover to push their product. Four cases have been brought to Federal court, with mixed results—mostly because the applicability of current law is unclear.

This legislation is an important step, but a careful one. Our future rests with the young people of this great nation and America is at risk. Ecstasy has shown itself to be a formidable threat and we must confront it on all fronts, not only through law enforcement but education and treatment as well. I hope my colleagues will join us in supporting this legislation, and help us work towards its quick passage.

By Mrs. FEINSTEIN (for herself and Mr. REID):

S. 227. A bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to certified or licensed teachers, to provide for grants that promote teacher certification and licensing, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce this bill with Senator HARRY REID to increase the maximum loan cancellation amount available to credentialed teachers from $5,000 to $10,000.

Educational research is clear: the single most important contributor to raising student achievement is having well-trained, high-caliber teachers in the classroom. And yet, far too many of our Nations' students are being taught by teachers who are not fully credentialed.

This is especially true in low-income communities, where 22 percent of the teachers do not have credentials, more than 10 times the rate in wealthy communities.

Because good teachers can make such a positive difference in the classroom, the ''No Child Left Behind Act,'' signed by President Bush last year, requires States to ensure that all teachers in our public schools are ''highly qualified'' by the 2005–2006 school year. This benchmark, which I believe was long overdue, is one that I applaud and was pleased to support last Congress.

And while we have taken a bold first step by committing that our children will receive quality education from a licensed teacher, our work is far from over.

We must now strengthen our commitment by helping States look for new ways to reach prospective teachers and build quality into their teacher preparation and development programs.

Nationwide, it is estimated that approximately 2 million new teachers will need to be hired by 2009.

This statistic, combined with the reality that roughly 200,000 veteran teachers will need to get their teaching certificate by the 2005 school year or lose their ability to teach, makes it clear that States have an ambitious requirement to fulfill in a short amount of time.

But many States and school districts argue that they lack the resources necessary to fulfill these mandates on their own.

The gravity of this problem is vividly depicted in California, where at least 300,000 new teachers will need to be hired and credentialed by 2008 to replace retirees and to accommodate the projected population growth at a time when the State is experiencing a drastic budget shortfall. All of this must happen during a time when the State is experiencing drastic budget shortfalls. The California State Board of Education projects that all of these changes will cost $6 billion.

The $6 billion price tag does not include the costs associated with credentialing 32,000 emergency credentialed teachers, which is 11 percent of California's entire workforce, by the 2005 school year. This task alone would cost California $365 million.

And none of these cost-estimates take into account the cost of credentialing teachers in other States with high percentages of the teaching work force not fully credentialed.

While I strongly believe that States need to be held accountable for ensuring that all teachers are fully credentialed. But I also recognize that in order for States to meet this Federal mandate on time, many may need guidance and support from the Federal Government.

This is not just a matter of holding those in the local school district or the local schoolhouse accountable; it is also a question of holding those in positions of public trust from the schoolhouse up to the statehouse, and to the U.S. Capitol, too, accountable for making sure that the job gets done.

I believe that this bill takes a good first step in doing just that by creating a balance between State and Federal accountability and addressing two obstacles confronting school districts as they prepare for the 2005 academic year: lack of incentives to lure teachers into teacher credentialing programs early and lack of resources available to teaching institutions to improve and build upon their credentialing curriculum.

I believe that the Federal Government should recognize the value of having a qualified teacher in a low income classroom by enhancing the loan cancellation benefits of credentialed teachers.

Current law allows teachers to receive up to $5,000 of their student loans to be forgiven in exchange for 5 years of teaching in a low-income school. Unfortunately, few teachers have taken advantage of this program because of the low loan cancellation amount available to them in comparison to the length of service required for eligibility.

To encourage recent graduates of teacher licensure programs to enter and remain in the teaching field, this bill doubles the maximum loan cancellation amount to $10,000 for credentialed teachers teaching for five years in a low income school.

And while uncredentialed teachers would continue to be eligible for loan forgiveness available to all teachers under the current law, the enhanced benefits for uncredentialed teachers will expire on December 31, 2005, just in time for the mandated deadline set for all teachers to be fully licensed.

The second element of my bill authorizes grants to institutions of higher education to create and expand credentialing programs. Funds would be made available to colleges and universities to develop and implement teacher preparation programs including curriculum development that focuses on credentialing teachers.

I strongly believe that teachers desiring to become credentialed should have every resource available to them to do so. These components are meant to complement State programs already available to credentialed teachers, which aim to improve teacher quality and tenure.

To California's credit, since the 1999–2000 school year, 5,000 emergency credentialed teachers have been successfully placed in State-backed teacher preparation programs. And the State is working to create and improve teacher preparation programs that include relevant course work, classroom training, and mentoring by a veteran teacher, with a goal of full credentialing.

But this is not happening in every school district nationwide and it must, States and local school districts should work together to prioritize available funds to set up programs to ensure that every teacher within their district is adequately trained.

States must continue to look for innovative ways to keep qualified teachers in the classroom, especially in low performing school districts, and funnel available Federal funds to local initiatives to get emergency certified teachers into credentialing programs.

We as a Nation must continue to make providing quality education to our children a top priority. Passing legislation is just the first step. With the expected population growth and the need to replace teachers approaching retirement, States must act swiftly and aggressively to ensure that neither children nor teachers are left behind.

I urge my colleagues to join me in cosponsoring this important piece of legislation that would give States and teachers the necessary resources to ensure that every teacher is a ''highly qualified'' teacher. Our Nation's students deserve nothing less.

By Mrs. FEINSTEIN (for herself, Mr. GREGG, and Mr. LEAHY):

S. 228. A bill to amend title 18, United States Code, to limit the misuse of social security numbers, to establish criminal penalties for such misuse, and for other purposes; read the first time.

Mrs. FEINSTEIN. Mr. President. I rise to reintroduce, along with Senator JUDD GREGG, the Social Security Number Misuse Prevention Act. This is critical legislation, especially in light of the increasing number of cases of identity theft.

In fact, the Federal Trade Commission, FTC, this week announced that identity theft is the Nation's top consumer fraud complaint for the third consecutive year.

Last year, this legislation was approved by the Senate Judiciary Committee, and the Finance Committee was set to vote on it as well, but it got entangled in an unrelated, amendment.

It is my hope that Congress will approve this legislation this year, so that we can begin to protect one of the most fundamental rights of all Americans.

I believe all Americans should have the right to: control how their personal identifying information is used. Keep their Social Security number out of the public domain. Limit disclosure by public agencies of personal information; and I also believe that Americans have the right to expect that businesses and government agencies will

protect your personal information held within their databases.

Lately, however, these rights have been seriously compromised by thieves who are stealing American's identity's in record numbers.

Just in the last year, identity theft cases have doubled nationwide. American consumers filed approximately 163,000 identity theft complaints with the FTC in 2002. Fully 43 percent of all the complaints the FTC receives are about identity theft.

My own State, California, has more victims than any other State. The FTC recorded 30,738 identity theft cases last year from California consumers alone.

Senator GREGG and I are reintroducing our Social Security number protection bill because Social Security numbers are the keys thieves use to unlock and take over a person's identity.

Identity thieves use Social Security numbers to: fraudulently obtain credit cards, access existing financial accounts, commit bank fraud, falsely obtain employment and government benefits; and create additional false identification documents, such as drivers' licenses.

Sally Twentyman, for instance, had her identity stolen when a thief rifled through her mail and stole credit card renewal forms.

The thief used her name and Social Security number to make $13,000 in cash advances and to open two additional credit card accounts in her name.

Not surprisingly, reports of Social Security number misuse have risen lockstep with the growth in identity theft.

Allegations of Social Security number fraud have increased by 600 percent over the past several years from 11,000 in 1998 to 73,000 in 2003.

Social Security Number Prevention Act:

The goal of this legislation is straightforward, to get Social Security numbers out of the public domain so that identity thieves can't access the number.

First, this bill prohibits anyone from selling or displaying an individual's Social Security number to the general public without the individual's consent, but does permit legitimate business-to-business and business-to-government uses of the number.

This practice occurs today. A stranger or stalker can buy your Social Security number off the Internet for a few dollars.

In one troubling case, Christopher Jones, a twenty-five-year old employee at the University of North Carolina-Pembroke, stole approximately 3,000 Social Security numbers through his job handing out towels and other equipment at the university gym.

In order to get equipment from Mr. Jones, students had to give him their Social Security numbers. Jones mined these numbers over several months and advertised the Social Security numbers for sale on eBay with an opening bid of $1.00 per number for a block of 1,000 numbers.

One advertisement, for example, read ''100 (one hundred social Security # Numbers Obtain False Credit Cards Idenity Theft I Don't Care Bid Starts at a Dollar a Piece USPS Money Orders only all Different.''

Second, this legislation gives consumers the right to refuse to give out their Social Security numbers to companies that don't really need it.

Companies, however, can still require Social Security numbers for purposes under the Fair Credit Reporting Act, for background checks, if required by law, or if the number is necessary to verify identity or prevent fraud.

Third, this legislation curbs the public display of Social Security numbers on government documents. Specifically, the bill removes Social Security numbers from government checks and driver's licenses.

In addition, the bill prohibits governments entities from displaying Social Security numbers on public records that are posted on the Internet or in electronic media after the effective date of the act.

I don't believe a complete stranger should not be able to get access to my Social Security number from my birth certificate or marriage license, especially just by logging onto the Internet!

Finally, this legislation creates new penalties targeting the misuse of Social Security numbers. Specifically, the bill gives the Social Security Administration the authority to issue civil penalties of up to $5,000 for people who misuse Social Security numbers.

The bill also creates a maximum five year prison sentence for anyone who obtains another person's Social Security number for purpose of locating or identifying that individual with the intent to physically harm that person.

This legislation is fundamental to protecting the identities of American citizens.

I look forward to working with Senator GREGG to secure its passage this year, and I ask unanimous consent that the text of this legislation be printed in the RECORD.

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

S. 228

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 ''Social Security Number Misuse Prevention Act''.

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

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The inappropriate display, sale, or purchase of social security numbers has contributed to a growing range of illegal activities, including fraud, identity theft, and, in some cases, stalking and other violent crimes.

(2) While financial institutions, health care providers, and other entities have often used social security numbers to confirm the identity of an individual, the general display to the public, sale, or purchase of these numbers has been used to commit crimes, and also can result in serious invasions of individual privacy.

(3) The Federal Government requires virtually every individual in the United States to obtain and maintain a social security number in order to pay taxes, to qualify for social security benefits, or to seek employment. An unintended consequence of these requirements is that social security numbers have become one of the tools that can be used to facilitate crime, fraud, and invasions of the privacy of the individuals to whom the numbers are assigned. Because the Federal Government created and maintains this system, and because the Federal Government does not permit individuals to exempt themselves from those requirements, it is appropriate for the Federal Government to take steps to stem the abuse of social security numbers.

(4) The display, sale, or purchase of social security numbers in no way facilitates uninhibited, robust, and wide-open public debate, and restrictions on such display, sale, or purchase would not affect public debate.

(5) No one should seek to profit from the display, sale, or purchase of social security numbers in circumstances that create a substantial risk of physical, emotional, or financial harm to the individuals to whom those numbers are assigned.

(6) Consequently, this Act provides each individual that has been assigned a social security number some degree of protection from the display, sale, and purchase of that number in any circumstance that might facilitate unlawful conduct.

SEC. 3. PROHIBITION OF THE DISPLAY, SALE, OR PURCHASE OF SOCIAL SECURITY NUMBERS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1028 the following:

''§ 1028A. Prohibition of the display, sale, or purchase of social security numbers

''(a) DEFINITIONS.—In this section:

''(1) DISPLAY.—The term 'display' means to intentionally communicate or otherwise make available (on the Internet or in any other manner) to the general public an individual's social security number.

''(2) PERSON.—The term 'person' means any individual, partnership, corporation, trust, estate, cooperative, association, or any other entity.

''(3) PURCHASE.—The term 'purchase' means providing directly or indirectly, anything of value in exchange for a social security number.

''(4) SALE.—The term 'sale' means obtaining, directly or indirectly, anything of value in exchange for a social security number.

''(5) STATE.—The term 'State' means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any territory or possession of the United States.

''(b) LIMITATION ON DISPLAY.—Except as provided in section 1028B, no person may display any individual's social security number to the general public without the affirmatively expressed consent of the individual.

''(c) LIMITATION ON SALE OR PURCHASE.—Except as otherwise provided in this section, no person may sell or purchase any individual's social security number without the affirmatively expressed consent of the individual.

''(d) PREREQUISITES FOR CONSENT.—In order for consent to exist under subsection (b) or (c), the person displaying or seeking to display, selling or attempting to sell, or purchasing or attempting to purchase, an individual's social security number shall—

''(1) inform the individual of the general purpose for which the number will be used, the types of persons to whom the number may be available, and the scope of transactions permitted by the consent; and

''(2) obtain the affirmatively expressed consent (electronically or in writing) of the individual.

''(e) EXCEPTIONS.—Nothing in this section shall be construed to prohibit or limit the display, sale, or purchase of a social security number—

''(1) required, authorized, or excepted under any Federal law;

''(2) for a public health purpose, including the protection of the health or safety of an individual in an emergency situation;

''(3) for a national security purpose;

''(4) for a law enforcement purpose, including the investigation of fraud and the enforcement of a child support obligation;

''(5) if the display, sale, or purchase of the number is for a use occurring as a result of an interaction between businesses, governments, or business and government (regardless of which entity initiates the interaction), including, but not limited to—

''(A) the prevention of fraud (including fraud in protecting an employee's right to employment benefits);

''(B) the facilitation of credit checks or the facilitation of background checks of employees, prospective employees, or volunteers;

''(C) the retrieval of other information from other businesses, commercial enterprises, government entities, or private nonprofit organizations; or

''(D) when the transmission of the number is incidental to, and in the course of, the sale, lease, franchising, or merger of all, or a portion of, a business;

''(6) if the transfer of such a number is part of a data matching program involving a Federal, State, or local agency; or

''(7) if such number is required to be submitted as part of the process for applying for any type of Federal, State, or local government benefit or program;

except that, nothing in this subsection shall be construed as permitting a professional or commercial user to display or sell a social security number to the general public.

''(f) LIMITATION.—Nothing in this section shall prohibit or limit the display, sale, or purchase of social security numbers as permitted under title V of the Gramm-Leach-Bliley Act, or for the purpose of affiliate sharing as permitted under the Fair Credit Reporting Act, except that no entity regulated under such Acts may make social security numbers available to the general public, as may be determined by the appropriate regulators under such Acts. For purposes of this subsection, the general public shall not include affiliates or unaffiliated third-party business entities as may be defined by the appropriate regulators.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1028 the following:

''1028A. Prohibition of the display, sale, or purchase of social security numbers.''.

(b) STUDY; REPORT.—

(1) IN GENERAL.—The Attorney General shall conduct a study and prepare a report on all of the uses of social security numbers permitted, required, authorized, or excepted under any Federal law. The report shall include a detailed description of the uses allowed as of the date of enactment of this Act and shall evaluate whether such uses should be continued or discontinued by appropriate legislative action.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Attorney General shall report to Congress findings under this subsection. The report shall include such recommendations for legislation based on criteria the Attorney General determines to be appropriate.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 30 days after the date on which the final regulations promulgated under section 5 are published in the Federal Register.

SEC. 4. APPLICATION OF PROHIBITION OF THE DISPLAY, SALE, OR PURCHASE OF SOCIAL SECURITY NUMBERS TO PUBLIC RECORDS.

(a) PUBLIC RECORDS EXCEPTION.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code (as amended by section 3(a)(1)), is amended by inserting after section 1028A the following:

''§ 1028B. Display, sale, or purchase of public records containing social security numbers

''(a) DEFINITION.—In this section, the term 'public record' means any governmental record that is made available to the general public.

''(b) IN GENERAL.—Except as provided in subsections (c), (d), and (e), section 1028A shall not apply to a public record.

''(c) PUBLIC RECORDS ON THE INTERNET OR IN AN ELECTRONIC MEDIUM.—

''(1) IN GENERAL.—Section 1028A shall apply to any public record first posted onto the Internet or provided in an electronic medium by, or on behalf of a government entity after the date of enactment of this section, except as limited by the Attorney General in accordance with paragraph (2).

''(2) EXCEPTION FOR GOVERNMENT ENTITIES ALREADY PLACING PUBLIC RECORDS ON THE INTERNET OR IN ELECTRONIC FORM.—Not later than 60 days after the date of enactment of this section, the Attorney General shall issue regulations regarding the applicability of section 1028A to any record of a category of public records first posted onto the Internet or provided in an electronic medium by, or on behalf of a government entity prior to the date of enactment of this section. The regulations will determine which individual records within categories of records of these government entities, if any, may continue to be posted on the Internet or in electronic form after the effective date of this section. In promulgating these regulations, the Attorney General may include in the regulations a set of procedures for implementing the regulations and shall consider the following:

''(A) The cost and availability of technology available to a governmental entity to redact social security numbers from public records first provided in electronic form after the effective date of this section.

''(B) The cost or burden to the general public, businesses, commercial enterprises, nonprofit organizations, and to Federal, State, and local governments of complying with section 1028A with respect to such records.

''(C) The benefit to the general public, businesses, commercial enterprises, nonprofit organizations, and to Federal, State, and local governments if the Attorney General were to determine that section 1028A should apply to such records.

Nothing in the regulation shall permit a public entity to post a category of public records on the Internet or in electronic form after the effective date of this section if such category had not been placed on the Internet or in electronic form prior to such effective date.

''(d) HARVESTED SOCIAL SECURITY NUMBERS.—Section 1028A shall apply to any public record of a government entity which contains social security numbers extracted from other public records for the purpose of displaying or selling such numbers to the general public.

''(e) ATTORNEY GENERAL RULEMAKING ON PAPER RECORDS.—

''(1) IN GENERAL.—Not later than 60 days after the date of enactment of this section, the Attorney General shall determine the feasibility and advisability of applying section 1028A to the records listed in paragraph (2) when they appear on paper or on another nonelectronic medium. If the Attorney General deems it appropriate, the Attorney General may issue regulations applying section 1028A to such records.

''(2) LIST OF PAPER AND OTHER NONELECTRONIC RECORDS.—The records listed in this paragraph are as follows:

''(A) Professional or occupational licenses.

''(B) Marriage licenses.

''(C) Birth certificates.

''(D) Death certificates.

''(E) Other short public documents that display a social security number in a routine and consistent manner on the face of the document.

''(3) CRITERIA FOR ATTORNEY GENERAL REVIEW.—In determining whether section 1028A should apply to the records listed in paragraph (2), the Attorney General shall consider the following:

''(A) The cost or burden to the general public, businesses, commercial enterprises, nonprofit organizations, and to Federal, State, and local governments of complying with section 1028A.

''(B) The benefit to the general public, businesses, commercial enterprises, nonprofit organizations, and to Federal, State, and local governments if the Attorney General were to determine that section 1028A should apply to such records.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code (as amended by section 3(a)(2)), is amended by inserting after the item relating to section 1028A the following:

''1028B. Display, sale, or purchase of public records containing social security numbers.''.

(b) STUDY AND REPORT ON SOCIAL SECURITY NUMBERS IN PUBLIC RECORDS.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study and prepare a report on social security numbers in public records. In developing the report, the Comptroller General shall consult with the Administrative Office of the United States Courts, State and local governments that store, maintain, or disseminate public records, and other stakeholders, including members of the private sector who routinely

use public records that contain social security numbers.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under paragraph (1). The report shall include a detailed description of the activities and results of the study and recommendations for such legislative action as the Comptroller General considers appropriate. The report, at a minimum, shall include—

(A) a review of the uses of social security numbers in non-federal public records;

(B) a review of the manner in which public records are stored (with separate reviews for both paper records and electronic records);

(C) a review of the advantages or utility of public records that contain social security numbers, including the utility for law enforcement, and for the promotion of homeland security;

(D) a review of the disadvantages or drawbacks of public records that contain social security numbers, including criminal activity, compromised personal privacy, or threats to homeland security;

(E) the costs and benefits for State and local governments of removing social security numbers from public records, including a review of current technologies and procedures for removing social security numbers from public records; and

(F) an assessment of the benefits and costs to businesses, their customers, and the general public of prohibiting the display of social security numbers on public records (with separate assessments for both paper records and electronic records).

(c) EFFECTIVE DATE.—The prohibition with respect to electronic versions of new classes of public records under section 1028B(b) of title 18, United States Code (as added by subsection (a)(1)) shall not take effect until the date that is 60 days after the date of enactment of this Act.

SEC. 5. RULEMAKING AUTHORITY OF THE ATTORNEY GENERAL.

(a) IN GENERAL.—Except as provided in subsection (b), the Attorney General may prescribe such rules and regulations as the Attorney General deems necessary to carry out the provisions of section 1028A(e)(5) of title 18, United States Code (as added by section 3(a)(1)).

(b) DISPLAY, SALE, OR PURCHASE RULEMAKING WITH RESPECT TO INTERACTIONS BETWEEN BUSINESSES, GOVERNMENTS, OR BUSINESS AND GOVERNMENT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Attorney General, in consultation with the Commissioner of Social Security, the Chairman of the Federal Trade Commission, and such other heads of Federal agencies as the Attorney General determines appropriate, shall conduct such rulemaking procedures in accordance with subchapter II of chapter 5 of title 5, United States Code, as are necessary to promulgate regulations to implement and clarify the uses occurring as a result of an interaction between businesses, governments, or business and government (regardless of which entity initiates the interaction) permitted under section 1028A(e)(5) of title 18, United States Code (as added by section 3(a)(1)).

(2) FACTORS TO BE CONSIDERED.—In promulgating the regulations required under paragraph (1), the Attorney General shall, at a minimum, consider the following:

(A) The benefit to a particular business, to customers of the business, and to the general public of the display, sale, or purchase of an individual's social security number.

(B) The costs that businesses, customers of businesses, and the general public may incur as a result of prohibitions on the display, sale, or purchase of social security numbers.

(C) The risk that a particular business practice will promote the use of a social security number to commit fraud, deception, or crime.

(D) The presence of adequate safeguards and procedures to prevent—

(i) misuse of social security numbers by employees within a business; and

(ii) misappropriation of social security numbers by the general public, while permitting internal business uses of such numbers.

(E) The presence of procedures to prevent identity thieves, stalkers, and other individuals with ill intent from posing as legitimate businesses to obtain social security numbers.

SEC. 6. TREATMENT OF SOCIAL SECURITY NUMBERS ON GOVERNMENT DOCUMENTS.

(a) PROHIBITION OF USE OF SOCIAL SECURITY ACCOUNT NUMBERS ON CHECKS ISSUED FOR PAYMENT BY GOVERNMENTAL AGENCIES.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following:

''(x) No Federal, State, or local agency may display the social security account number of any individual, or any derivative of such number, on any check issued for any payment by the Federal, State, or local agency.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to violations of section 205(c)(2)(C)(x) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(x)), as added by paragraph (1), occurring after the date that is 3 years after the date of enactment of this Act.

(b) PROHIBITION OF APPEARANCE OF SOCIAL SECURITY ACCOUNT NUMBERS ON DRIVER'S LICENSES OR MOTOR VEHICLE REGISTRATION.—

(1) IN GENERAL.—Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)) is amended—

(A) by inserting ''(I)'' after ''(vi)''; and

(B) by adding at the end the following:

''(II)(aa) An agency of a State (or political subdivision thereof), in the administration of any driver's license or motor vehicle registration law within its jurisdiction, may not display the social security account numbers issued by the Commissioner of Social Security, or any derivative of such numbers, on the face of any driver's license or motor vehicle registration or any other document issued by such State (or political subdivision thereof) to an individual for purposes of identification of such individual.

''(bb) Nothing in this subclause shall be construed as precluding an agency of a State (or political subdivision thereof), in the administration of any driver's license or motor vehicle registration law within its jurisdiction, from using a social security account number for an internal use or to link with the database of an agency of another State that is responsible for the administration of any driver's license or motor vehicle registration law.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to licenses, registrations, and other documents issued or reissued after the date that is 1 year after the date of enactment of this Act.

(c) PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by subsection (b)) is amended by adding at the end the following:

''(xi) No Federal, State, or local agency may employ, or enter into a contract for the use or employment of, prisoners in any capacity that would allow such prisoners access to the social security account numbers of other individuals. For purposes of this clause, the term 'prisoner' means an individual confined in a jail, prison, or other penal institution or correctional facility pursuant to such individual's conviction of a criminal offense.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to employment of prisoners, or entry into contract with prisoners, after the date that is 1 year after the date of enactment of this Act.

SEC. 7. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

''SEC. 1150A. LIMITS ON PERSONAL DISCLOSURE OF A SOCIAL SECURITY NUMBER FOR CONSUMER TRANSACTIONS.

''(a) IN GENERAL.—A commercial entity may not require an individual to provide the individual's social security number when purchasing a commercial good or service or deny an individual the good or service for refusing to provide that number except—

''(1) for any purpose relating to—

''(A) obtaining a consumer report for any purpose permitted under the Fair Credit Reporting Act;

''(B) a background check of the individual conducted by a landlord, lessor, employer, voluntary service agency, or other entity as determined by the Attorney General;

''(C) law enforcement; or

''(D) a Federal, State, or local law requirement; or

''(2) if the social security number is necessary to verify the identity of the consumer to effect, administer, or enforce the specific transaction requested or authorized by the consumer, or to prevent fraud.

''(b) APPLICATION OF CIVIL MONEY PENALTIES.—A violation of this section shall be deemed to be a violation of section 1129(a)(3)(F).

''(c) APPLICATION OF CRIMINAL PENALTIES.—A violation of this section shall be deemed to be a violation of section 208(a)(8).

''(d) LIMITATION ON CLASS ACTIONS.—No class action alleging a violation of this section shall be maintained under this section by an individual or any private party in Federal or State court.

''(e) STATE ATTORNEY GENERAL ENFORCEMENT.—

''(1) IN GENERAL.—

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

''(i) enjoin that practice;

''(ii) enforce compliance with such section;

''(iii) obtain damages, restitution, or other compensation on behalf of residents of the State; or

''(iv) obtain such other relief as the court may consider appropriate.

''(B) NOTICE.—

''(i) IN GENERAL.—Before filing an action under subparagraph (A), the attorney general of the State involved shall provide to the Attorney General—

''(I) written notice of the action; and

''(II) a copy of the complaint for the action.

''(ii) EXEMPTION.—

''(I) IN GENERAL.—Clause (i) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the State attorney general determines that it is not feasible to provide the

notice described in such subparagraph before the filing of the action.

''(II) NOTIFICATION.—With respect to an action described in subclause (I), the attorney general of a State shall provide notice and a copy of the complaint to the Attorney General at the same time as the State attorney general files the action.

''(2) INTERVENTION.—

''(A) IN GENERAL.—On receiving notice under paragraph (1)(B), the Attorney General shall have the right to intervene in the action that is the subject of the notice.

''(B) EFFECT OF INTERVENTION.—If the Attorney General intervenes in the action under paragraph (1), the Attorney General shall have the right to be heard with respect to any matter that arises in that action.

''(3) CONSTRUCTION.—For purposes of bringing any civil action under paragraph (1), nothing in this section shall be construed to prevent an attorney general of a State from exercising the powers conferred on such attorney general by the laws of that State to—

''(A) conduct investigations;

''(B) administer oaths or affirmations; or

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

''(4) ACTIONS BY THE ATTORNEY GENERAL OF THE UNITED STATES.—In any case in which an action is instituted by or on behalf of the Attorney General for violation of a practice that is prohibited under this section, no State may, during the pendency of that action, institute an action under paragraph (1) against any defendant named in the complaint in that action for violation of that practice.

''(5) VENUE; SERVICE OF PROCESS.—

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

''(B) SERVICE OF PROCESS.—In an action brought under paragraph (1), process may be served in any district in which the defendant—

''(i) is an inhabitant; or

''(ii) may be found.

''(f) SUNSET.—This section shall not apply on or after the date that is 6 years after the effective date of this section.''.

(b) EVALUATION AND REPORT.—Not later than the date that is 6 years and 6 months after the date of enactment of this Act, the Attorney General, in consultation with the chairman of the Federal Trade Commission, shall issue a report evaluating the effectiveness and efficiency of section 1150A of the Social Security Act (as added by subsection (a)) and shall make recommendations to Congress as to any legislative action determined to be necessary or advisable with respect to such section, including a recommendation regarding whether to reauthorize such section.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests to provide a social security number occurring after the date that is 1 year after the date of enactment of this Act.

SEC. 8. EXTENSION OF CIVIL MONETARY PENALTIES FOR MISUSE OF A SOCIAL SECURITY NUMBER.

(a) TREATMENT OF WITHHOLDING OF MATERIAL FACTS.—

(1) CIVIL PENALTIES.—The first sentence of section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a–8(a)(1)) is amended—

(A) by striking ''who'' and inserting ''who—'';

(B) by striking ''makes'' and all that follows through ''shall be subject to'' and inserting the following:

''(A) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading;

''(B) makes such a statement or representation for such use with knowing disregard for the truth; or

''(C) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the individual knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI and the individual knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to'';

(C) by inserting ''or each receipt of such benefits while withholding disclosure of such fact'' after ''each such statement or representation'';

(D) by inserting ''or because of such withholding of disclosure of a material fact'' after ''because of such statement or representation''; and

(E) by inserting ''or such a withholding of disclosure'' after ''such a statement or representation''.

(2) ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES.—The first sentence of section 1129A(a) of the Social Security Act (42 U.S.C. 1320a–8a(a)) is amended—

(A) by striking ''who'' and inserting ''who—''; and

(B) by striking ''makes'' and all that follows through ''shall be subject to'' and inserting the following:

''(1) makes, or causes to be made, a statement or representation of a material fact, for use in determining any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI, that the person knows or should know is false or misleading;

''(2) makes such a statement or representation for such use with knowing disregard for the truth; or

''(3) omits from a statement or representation for such use, or otherwise withholds disclosure of, a fact which the individual knows or should know is material to the determination of any initial or continuing right to or the amount of monthly insurance benefits under title II or benefits or payments under title VIII or XVI and the individual knows, or should know, that the statement or representation with such omission is false or misleading or that the withholding of such disclosure is misleading,

shall be subject to''.

(b) APPLICATION OF CIVIL MONEY PENALTIES TO ELEMENTS OF CRIMINAL VIOLATIONS.—Section 1129(a) of the Social Security Act (42 U.S.C. 1320a–8(a)), as amended by subsection (a)(1), is amended—

(1) by redesignating paragraph (2) as paragraph (4);

(2) by redesignating the last sentence of paragraph (1) as paragraph (2) and inserting such paragraph after paragraph (1); and

(3) by inserting after paragraph (2) (as so redesignated) the following:

''(3) Any person (including an organization, agency, or other entity) who—

''(A) uses a social security account number that such person knows or should know has been assigned by the Commissioner of Social Security (in an exercise of authority under section 205(c)(2) to establish and maintain records) on the basis of false information furnished to the Commissioner by any person;

''(B) falsely represents a number to be the social security account number assigned by the Commissioner of Social Security to any individual, when such person knows or should know that such number is not the social security account number assigned by the Commissioner to such individual;

''(C) knowingly alters a social security card issued by the Commissioner of Social Security, or possesses such a card with intent to alter it;

''(D) knowingly displays, sells, or purchases a card that is, or purports to be, a card issued by the Commissioner of Social Security, or possesses such a card with intent to display, purchase, or sell it;

''(E) counterfeits a social security card, or possesses a counterfeit social security card with intent to display, sell, or purchase it;

''(F) discloses, uses, compels the disclosure of, or knowingly displays, sells, or purchases the social security account number of any person in violation of the laws of the United States;

''(G) with intent to deceive the Commissioner of Social Security as to such person's true identity (or the true identity of any other person) furnishes or causes to be furnished false information to the Commissioner with respect to any information required by the Commissioner in connection with the establishment and maintenance of the records provided for in section 205(c)(2);

''(H) offers, for a fee, to acquire for any individual, or to assist in acquiring for any individual, an additional social security account number or a number which purports to be a social security account number; or

''(I) being an officer or employee of a Federal, State, or local agency in possession of any individual's social security account number, willfully acts or fails to act so as to cause a violation by such agency of clause (vi)(II) or (x) of section 205(c)(2)(C),

shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each violation. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States resulting from such violation, of not more than twice the amount of any benefits or payments paid as a result of such violation.''.

(c) CLARIFICATION OF TREATMENT OF RECOVERED AMOUNTS.—Section 1129(e)(2)(B) of the Social Security Act (42 U.S.C. 1320a–8(e)(2)(B)) is amended by striking ''In the case of amounts recovered arising out of a determination relating to title VIII or XVI,'' and inserting ''In the case of any other amounts recovered under this section,''.

(d) CONFORMING AMENDMENTS.—

(1) Section 1129(b)(3)(A) of the Social Security Act (42 U.S.C. 1320a–8(b)(3)(A)) is amended by striking ''charging fraud or false statements''.

(2) Section 1129(c)(1) of the Social Security Act (42 U.S.C. 1320a–8(c)(1)) is amended by striking ''and representations'' and inserting '', representations, or actions''.

(3) Section 1129(e)(1)(A) of the Social Security Act (42 U.S.C. 1320a–8(e)(1)(A)) is amended by striking ''statement or representation referred to in subsection (a) was made'' and inserting ''violation occurred''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations of sections 1129 and 1129A of the Social Security Act (42 U.S.C. 1320–8 and 1320a–8a), as amended by this section, committed after the date of enactment of this Act.

(2) VIOLATIONS BY GOVERNMENT AGENTS IN POSSESSION OF SOCIAL SECURITY NUMBERS.—Section 1129(a)(3)(I) of the Social Security Act (42 U.S.C. 1320a–8(a)(3)(I)), as added by

subsection (b), shall apply with respect to violations of that section occurring on or after the effective date described in section 3(c).

SEC. 9. CRIMINAL PENALTIES FOR THE MISUSE OF A SOCIAL SECURITY NUMBER.

(a) PROHIBITION OF WRONGFUL USE AS PERSONAL IDENTIFICATION NUMBER.—No person may obtain any individual's social security number for purposes of locating or identifying an individual with the intent to physically injure, harm, or use the identity of the individual for any illegal purpose.

(b) CRIMINAL SANCTIONS.—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)) is amended—

(1) in paragraph (8), by inserting ''or'' after the semicolon; and

(2) by inserting after paragraph (8) the following:

''(9) except as provided in subsections (e) and (f) of section 1028A of title 18, United States Code, knowingly and willfully displays, sells, or purchases (as those terms are defined in section 1028A(a) of title 18, United States Code) any individual's social security account number without having met the prerequisites for consent under section 1028A(d) of title 18, United States Code; or

''(10) obtains any individual's social security number for the purpose of locating or identifying the individual with the intent to injure or to harm that individual, or to use the identity of that individual for an illegal purpose;''.

SEC. 10. CIVIL ACTIONS AND CIVIL PENALTIES.

(a) CIVIL ACTION IN STATE COURTS.—

(1) IN GENERAL.—Any individual aggrieved by an act of any person in violation of this Act or any amendments made by this Act may, if otherwise permitted by the laws or rules of the court of a State, bring in an appropriate court of that State—

(A) an action to enjoin such violation;

(B) an action to recover for actual monetary loss from such a violation, or to receive up to $500 in damages for each such violation, whichever is greater; or

(C) both such actions.

It shall be an affirmative defense in any action brought under this paragraph that the defendant has established and implemented, with due care, reasonable practices and procedures to effectively prevent violations of the regulations prescribed under this Act. If the court finds that the defendant willfully or knowingly violated the regulations prescribed under this subsection, the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under subparagraph (B).

(2) STATUTE OF LIMITATIONS.—An action may be commenced under this subsection not later than the earlier of—

(A) 5 years after the date on which the alleged violation occurred; or

(B) 3 years after the date on which the alleged violation was or should have been reasonably discovered by the aggrieved individual.

(3) NONEXCLUSIVE REMEDY.—The remedy provided under this subsection shall be in addition to any other remedies available to the individual.

(b) CIVIL PENALTIES.—

(1) IN GENERAL.—Any person who the Attorney General determines has violated any section of this Act or of any amendments made by this Act shall be subject, in addition to any other penalties that may be prescribed by law—

(A) to a civil penalty of not more than $5,000 for each such violation; and

(B) to a civil penalty of not more than $50,000, if the violations have occurred with such frequency as to constitute a general business practice.

(2) DETERMINATION OF VIOLATIONS.—Any willful violation committed contemporaneously with respect to the social security numbers of 2 or more individuals by means of mail, telecommunication, or otherwise, shall be treated as a separate violation with respect to each such individual.

(3) ENFORCEMENT PROCEDURES.—The provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a), other than subsections (a), (b), (f), (h), (i), (j), (m), and (n) and the first sentence of subsection (c) of such section, and the provisions of subsections (d) and (e) of section 205 of such Act (42 U.S.C. 405) shall apply to a civil penalty action under this subsection in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a) of such Act (42 U.S.C. 1320a–7a(a)), except that, for purposes of this paragraph, any reference in section 1128A of such Act (42 U.S.C. 1320a–7a) to the Secretary shall be deemed to be a reference to the Attorney General.

SEC. 11. FEDERAL INJUNCTIVE AUTHORITY.

In addition to any other enforcement authority conferred under this Act or the amendments made by this Act, the Federal Government shall have injunctive authority with respect to any violation by a public entity of any provision of this Act or of any amendments made by this Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 26—COMMENDING THE TAMPA BAY BUCCANEERS FOOTBALL TEAM FOR WINNING SUPER BOWL XXXVII

Mr. NELSON of Florida (for himself and Mr. GRAHAM of Florida) submitted the following resolution; which was considered and agred to:

S. RES. 26

Whereas on January 26, 2003, the Tampa Bay Buccaneers defeated the Oakland Raiders 48–21 in San Diego, capturing their first Super Bowl title;

Whereas Buccaneers head coach Jon Gruden became the youngest coach in National Football League history to win the Super Bowl, and led Tampa Bay to the title in his first year with the team;

Whereas Buccaneers safety Dexter Jackson was named the Most Valuable Player of Super Bowl XXXVII, becoming the first player in Super Bowl history to intercept two passes in the first half of the game;

Whereas the Buccaneers defensive unit finished the 2002–2003 season as the NFL's number one ranked defense and recorded a Super Bowl-record, five interceptions against the NFL's Most Valuable Player, Oakland quarterback Rich Gannon, and the NFL's number one ranked offense;

Whereas Buccaneers linebacker Derrick Brooks, the NFL's Defensive Player of the Year, sealed the Super Bowl victory with a 44-yard interception return for a touchdown with 1:18 to play;

Whereas the Buccaneers offensive unit was led by Brad Johnson's 215 yards passing, Michael Pittman's season-high 124 yards rushing, Joe Jurevicius' team-high 78 receiving yards and Keenan McCardell's two touchdowns;

Whereas the Tampa Bay Buccaneers completed the 2002 National Football League regular season with a 12–4 record, capturing the NFC South Division Title;

Whereas the Buccaneers defeated the San Francisco 49ers, 31–6, and the Philadelphia Eagles, 27–10, to win the NFC Championship;

Whereas Buccaneer players Mike Alstott, Derrick Brooks, Brad Johnson, John Lynch, Simeon Rice and Warren Sapp have been selected to play in the 2003 NFL Pro Bowl;

Whereas each player, coach, trainer, manager, and administrator dedicated this season and their efforts to ensure the Tampa Bay Buccaneers reached the pinnacle of the sports world—a Super Bowl Championship; and

Whereas Buccaneer fans and the Tampa Bay community are to be commended for their long-standing support, perseverance and pride in the team: Now, therefore, be it

Resolved, that the Senate—

(1) commends the loyalty, perservance and pride of the Tampa Bay Buccaneers' fans;

(2) congratulates the World Champion Tampa Bay Buccaneers for their historic win in Super Bowl XXXVII; and

(3) recognizes the achievements of the players, coaches and support staff who were instrumental in helping the Tampa Bay Buccaneers win Super Bowl XXXVII.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Tampa Bay Buccaneers owner Malcolm Glazer and head coach Jon Gruden for appropriate display and transmit copies of this resolution to each player and coach of the Super Bowl XXXVII Championship team.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, January 29, 2003, at 10:00 a.m. in Room 485 of the Russell Senate Office Building to conduct a business meeting to organize for the 108th Congress by electing the Chairman and Vice Chairman of the Committee and to adopt the rules of the Committee and any other organizational business the committee needs to attend to.

Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, January 28, 2003, at 2:30 p.m., in SR–253, to consider the State of the United States Olympic Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, January 28, 2003, at 10:00 a.m., to hear testimony on the Nomination of John W. Snow to be Secretary of the United States Treasury.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the