Congress that a commemorative postage stamp should be issued honoring Gunnery Sergeant John Basilone, a great American hero.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENNETT:

S. 1678. A bill to provide for the establishment of the Uintah Research and Curatorial Center for Dinosaur National Monument in the States of Colorado and Utah, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Mr. President, I rise to introduce the Uintah Research and Curatorial Center Act. This bill would authorize the National Park Service, NPS, to construct a research and curatorial facility for Dinosaur National Monument and its partner, the Utah Field House of Natural History Museum (Museum), in Vernal, UT. The facility would be co-located with the Museum while helping to preserve, protect, and exhibit the vast treasures of one of the most productive sites of dinosaur bones in the world.

Since the first discovery of Jurassic era bones by the paleontologist Earl Douglass in 1909, and the subsequent proclamation as a national monument in 1915 by President Woodrow Wilson, the Dinosaur National Monument has been a haven for both amateur and expert dinosaur enthusiasts. At present, Dinosaur National Monument has more than 600,000 items in its museum collection. Unfortunately, these items are currently stored in 17 different facilities throughout the park. Many of these resources are at risk due to the failure of the scattered facilities to meet minimum National Park Service storage standards. A new research and curatorial facility is greatly needed to bring the park's collections up to standard and to ensure its protection.

The curatorial facility will also fill a critical role as a collection center for the park and partners' fossil, archaeological, natural resource operations and collections, and park archives. Moreover, in these days of limited budgets, the decision to co-locate this facility with the State's museum will also save taxpayer dollars. The State of Utah is nearing completion of their new Field House Museum at a cost to the State of $6.5 million dollars. Because of the co-location, NPS staff, visiting scholars, interns and volunteers would have access to the State museum's space for exhibit, classroom, conferencing, education, restrooms, public access, parking, and other needs not included in the curatorial facility.

The 22,500 square foot facility will be built outside the boundaries of the park on land donated to the Park Service by the City of Vernal and Uintah County. The legislation will also permit the Park Service to accept the donation of the land, valued at approximately $1.5 million dollars. The Park Service estimates the total cost of adding the research and curatorial center to be $8.7 million dollars.

Other Federal agencies, such as the Bureau of Land Management and the Forest Service, who are also in need of collections storage, have become minor partners and would utilize a small portion of the storage facility. An additional partner in the project, the Intermountain Natural History Association, has agreed to fund and carry out the soil and environmental testing necessary to permit the Park Service to accept the donation.

It is imperative that we care for these paleontological resources and ensure their availability to future generations, both for scientific study and the enjoyment of the public. This legislation is a proactive approach to accomplishing those objectives and is an excellent example of a cost effective partnership between the National Park Service, the State of Utah Department of Natural Resources, the City of Vernal, and Uintah County of which this Congress ought to applaud and support.

By Mr. BUNNING:

S. 1679. A bill to amend the Internal Revenue Code of 1986 to reduce the depreciation recovery period for roof systems; to the Committee on Finance.

Mr. BUNNING. Mr. President, I rise today to introduce the Realistic Roofing Tax Treatment Act of 2003 which would amend the Internal Revenue Code to provide a more realistic depreciation schedule for commercial roofs.

In 1981, Congress eliminated component depreciation and put into place a general depreciation period of 15 years for all building components. In 1993, the recovery period for nonresidential property was extended to 39 years in order to raise revenue. The current 39-year depreciation period is not a realistic measure of the average life span of a commercial roof. It is a disincentive for building owners to replace nonperforming roofs, because replacing failing roofs more frequently than 39 years means carrying the burden of roofs that no longer exist on the books.

A study by Ducker Worldwide, a leading industrial research firm, found the current aggregate commercial roof life span is 17.45 years. Ducker estimates that a shortened depreciation schedule will stimulate economic activity and generate 30,000 new jobs in a two-year period. I am particularly concerned that we help America's manufacturers and this legislation will provide them immediate tax relief. It will also provide relief to America's small businesses, which find it more difficult to absorb the impact of capital improvement expenditures than larger entities.

Congressman FOLEY will shortly be introducing similar legislation in the House of Representatives. I am pleased that this proposal has the support of the United Union of Roofers, Waterproofers and Allied Workers, and I urge my colleagues to support this important piece of legislation when it comes before the Senate.

By Mr. BUNNING.

S. 1681. A bill to exempt the natural aging process in the determination of the production period for distilled spirits under section 263A of the Internal Revenue Code of 1986; to the Committee on Finance.

Mr. BUNNING. Mr. President, today, I am pleased to introduce a bill that will address an issue of inequity in the U.S. Tax Code. Current tax law requires that certain production expenses of a product for sale by a manufacturer be capitalized into the inventory cost of that product. One such expense is the allocable portion of interest expenses that are attributable to equipment used in that production. However, this capitalization requirement only applies when the product being produced has a production period in excess of 2 years.

The bill I am introducing today will clarify that, for the production of distilled spirits, the production period for purposes of this capitalization rule includes only the distilling of the liquor—it does not include time that the liquors are naturally aged following the distillation.

This is an important clarification to insure that distilled spirits that are aged for long periods of time—in some cases many years—do not face adverse tax consequences merely due to this aging process. The clarification of this inequity will aid many small distilleries located in the United States by not forcing them to carry additional inventory costs over long periods of time.

I urge my colleagues to support this important legislation.

By Mr. ROCKEFELLER:

S. 1682. A bill to provide for a test census of Americans residing abroad, and to require that such individuals be included in the 2010 decennial census; to the Committee on Governmental Affairs.

Mr. ROCKEFELLER. Mr. President, today I want to introduce legislation to direct the Census Bureau to develop a test census of Americans living abroad in 2004. The long-term goal is to develop methods to include Americans living overseas in our next decennial census in 2010.

There are approximately 3 million to 6 million private American citizens living and working overseas, and many of them continue to vote and pay taxes in the United States. These citizens help increase exports of American goods, because they traditionally buy American, sell American,and create business opportunities for American companies and workers. Their role in strengthening the U.S. economy, creating jobs in the United States, and extending U.S. influence around the globe is vital to the well-being of our Nation.

I believe that Americans abroad deserve to be counted, and to achieve this goal we must begin with a test census next year.

For many years, I have been proud to work on policies to ensure that Americans living abroad are treated fairly.

By Mr. VOINOVICH:

S. 1683. A bill to provide for a report on the parity of pay and benefits among Federal law enforcement officers and to establish an exchange program between Federal law enforcement employees and State and local law enforcement employees; to the Committee on Governmental Affairs

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

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

S. 1683

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 ''Federal Law Enforcement Pay and Benefits Parity Act of 2003''.

SEC. 2. LAW ENFORCEMENT PAY AND BENEFITS PARITY REPORT.

(a) DEFINITION.—In this section, the term ''law enforcement officer'' means an individual—

(1)(A) who is a law enforcement officer defined under section 8331 or 8401 of title 5, United States Code; or

(B) the duties of whose position include the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States; and

(2) who is employed by the Federal Government.

(b) REPORT.—Not later than April 30, 2004, the Office of Personnel Management shall submit a report to the President of the Senate and the Speaker of the House of Representatives and the appropriate committees and subcommittees of Congress that includes—

(1) a comparison of classifications, pay, and benefits among law enforcement officers across the Federal Government; and

(2) recommendations for ensuring, to the maximum extent practicable, the elimination of disparities in classifications, pay and benefits for law enforcement officers throughout the Federal Government.

SEC. 3. EMPLOYEE EXCHANGE PROGRAM BETWEEN FEDERAL EMPLOYEES AND EMPLOYEES OF STATE AND LOCAL GOVERNMENTS.

(a) DEFINITIONS.—In this section—

(1) the term ''employing agency'' means the Federal, State, or local government agency with which the participating employee was employed before an assignment under the Program;

(2) the term ''participating employee'' means an employee who is participating in the Program; and

(3) the term ''Program'' means the employee exchange program established under subsection (b).

(b) ESTABLISHMENT.—The President shall establish an employee exchange program between Federal agencies that perform law enforcement functions and agencies of State and local governments that perform law enforcement functions.

(c) CONDUCT OF PROGRAM.—The Program shall be conducted in accordance with subchapter VI of chapter 33 of title 5, United States Code.

(d) QUALIFICATIONS.—An employee of an employing agency who performs law enforcement functions may be selected to participate in the Program if the employee—

(1) has been employed by that employing agency for a period of more than 3 years;

(2) has had appropriate training or experience to perform the work required by the assignment;

(3) has had an overall rating of satisfactory or higher on performance appraisals from the employing agency during the 3-year period before being assigned to another agency under this section; and

(4) agrees to return to the employing agency after completing the assignment for a period not less than the length of the assignment.

(d) WRITTEN AGREEMENT.—An employee shall enter into a written agreement regarding the terms and conditions of the assignment before beginning the assignment with another agency.

By Mr. GRASSLEY (for himself, Ms. LANDRIEU, Mr. BUNNING, Mr. ROCKEFELLER, Mr. CRAIG, Mr. BAUCUS, Mr. DEWINE, Mr. LEVIN, Mr. INHOFE, Mr. NELSON of Nebraska, Mrs. LINCOLN, Mrs. CLINTON, and Mr. JEFFORDS):

S. 1686. A bill to reauthorize the adoption incentive payments program under part E of title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, Senator LANDRIEU, Senator BUNNING and I are happy to introduce the Adoption Promotion Act of 2003, a bill that would extend and improve the Adoption and Safe Families Act of 1997. Across the country there are thousands of children of all ages and needs who are waiting to be adopted into stable families. This legislation provides a reward to States that place an emphasis on finding loving homes for children who are in foster care.

The Adoption and Safe Families Act of 1997 rewarded States with cash incentives for increasing the number of adoptions of children in foster care, concentrating on children with special needs. Adoption levels were on the rise before the introduction of this legislation, but grew even faster after implementation of the program. Studies project that an additional 34,000 children were adopted during the first 3 years of the program. Currently each of the 50 States, the District of Columbia, and Puerto Rico have received incentive payments from the increased number of adoptions. My home State of Iowa just received a payment of $524,000 because of its success in finding children in foster care permanent homes. The results are clear, adoption incentives are working.

There are many people in this country who have opened their arms to children that do not fit the typical mold. The Lippert family of Council Bluffs, IA is just one example. Over the last 25 years, they have adopted 16 children, in addition to their two biological children. Their doors are still open to children in need. Within the next 6 months their nest will become even larger; they have three teenage girls who are in the process of being adopted. All but one of these children have special needs, ranging from emotional to physical disabilities. None of these challenges have stopped the Lippert family from helping their children become successful members of the community. The Lippert family has given these children a chance to be part of a loving and permanent family, an opportunity they would otherwise not have had.

But much remains to be done. While adoption incentives have helped states place a large number of children in families, there are still thousands of children without such luck. The incentive program helps to promote the needs of children for whom it is challenging to find an adoptive home. Take for example, children over the age of 9. The probability that these children will ever find a permanent home exceeds the probability they will be adopted into a loving family. This legislation adds an incentive for States to increase the number of older children adopted out of foster care.

Adoption is a positive life-changing experience. My bill builds upon the success of the Adoption and Safe Families Act of 1997. It recognizes these successes and continues to challenge States to remove children from foster care and place them with a permanent family. Adoptions give children a loving home and families an opportunity to share their love with a child in need. I encourage the Senate to consider this important piece of legislation and continue to reward States that are working to place children in permanent homes.

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. 1686

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 ''Adoption Promotion Act of 2003''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In 1997, the Congress passed the Adoption and Safe Families Act of 1997 to promote comprehensive child welfare reform to ensure that consideration of children's safety is paramount in child welfare decisions, and to provide a greater sense of urgency to find every child a safe, permanent home.

(2) The Adoption and Safe Families Act of 1997 also created the Adoption Incentives program, which authorizes incentive payments to States to promote adoptions, with additional incentives provided for the adoption of foster children with special needs.

(3) Since 1997, all States, the District of Columbia, and Puerto Rico have qualified for incentive payments for their work in promoting adoption of foster children.

(4) Between 1997 and 2002, adoptions increased by 64 percent, and adoptions of children with special needs increased by 63 percent; however, 542,000 children remain in foster care, and 126,000 are eligible for adoption.

(5) Although substantial progress has been made to promote adoptions, attention should be focused on promoting adoption of older children. Recent data suggest that half of the children waiting to be adopted are age 9 or older.

SEC. 3. REAUTHORIZATION OF ADOPTION INCENTIVE PAYMENTS PROGRAM.

(a) IN GENERAL.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended—

(1) in subsection (b)—

(A) by striking paragraph (2) and inserting the following:

''(2)(A) the number of foster child adoptions in the State during the fiscal year exceeds the base number of foster child adoptions for the State for the fiscal year; or

''(B) the number of older child adoptions in the State during the fiscal year exceeds the base number of older child adoptions for the State for the fiscal year;''.

(B) in paragraph (4), by striking ''and 2002'' and inserting ''through 2007''; and

(C) in paragraph (5), by striking ''2002'' and inserting ''2007'';

(2) in subsection (c), by striking paragraph (2) and inserting the following:

''(2) DETERMINATION OF NUMBERS OF ADOPTIONS BASED ON AFCARS DATA.—The Secretary shall determine the numbers of foster child adoptions, of special needs adoptions that are not older child adoptions, and of older child adoptions in a State during each of fiscal years 2002 through 2007, for purposes of this section, on the basis of data meeting the requirements of the system established pursuant to section 479, as reported by the State and approved by the Secretary by August 1 of the succeeding fiscal year.'';

(3) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''and'';

(B) in subparagraph (B)—

(i) by inserting ''that are not older child adoptions'' after ''adoptions'' each place it appears; and

(ii) by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(C) $4,000, multiplied by the amount (if any) by which the number of older child adoptions in the State during the fiscal year exceeds the base number of older child adoptions for the State for the fiscal year.'';

(4) in subsection (g)—

(A) in paragraph (3), by striking subparagraphs (A) and (B) and inserting the following:

''(A) with respect to fiscal year 2003, the number of foster child adoptions in the State in fiscal year 2002; and

''(B) with respect to any subsequent fiscal year, the number of foster child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.'';

(B) in paragraph (4)—

(i) in the paragraph heading, by inserting ''THAT ARE NOT OLDER CHILD ADOPTIONS'' after ''ADOPTIONS''; and

(ii) by striking subparagraphs (A) and (B) and inserting the following:

''(A) with respect to fiscal year 2003, the number of special needs adoptions that are not older child adoptions in the State in fiscal year 2002; and

''(B) with respect to any subsequent fiscal year, the number of special needs adoptions that are not older child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.''; and

(C) by adding at the end the following:

''(5) BASE NUMBER OF OLDER CHILD ADOPTIONS.—The term 'base number of older child adoptions for a State' means—

''(A) with respect to fiscal year 2003, the number of older child adoptions in the State in fiscal year 2002; and

''(B) with respect to any subsequent fiscal year, the number of older child adoptions in the State in the fiscal year for which the number is the greatest in the period that begins with fiscal year 2002 and ends with the fiscal year preceding that subsequent fiscal year.

''(6) OLDER CHILD ADOPTIONS.—The term 'older child adoptions' means the final adoption of a child who has attained 9 years of age if—

''(A) at the time of the adoptive placement, the child was in foster care under the supervision of the State; or

''(B) an adoption assistance agreement was in effect under section 473 with respect to the child.'';

(5) in subsection (h)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''and'';

(ii) in subparagraph (C), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) $43,000,000 for each of fiscal years 2004 through 2008.''; and

(B) in paragraph (2)—

(i) by inserting '', or under any other law for grants under subsection (a),'' after ''(1)''; and

(ii) by striking ''2003'' and inserting ''2008'';

(6) in subsection (i)(4), by striking ''1998 through 2000'' and inserting ''2004 through 2006''; and

(7) by striking subsection (j).

(b) REPORT ON ADOPTION AND OTHER PERMANENCY OPTIONS FOR CHILDREN IN FOSTER CARE.—Not later than October 1, 2004, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on State efforts to promote adoption and other permanency options for children in foster care, with special emphasis on older children in foster care. In preparing this report, the Secretary shall review State waiver programs and consult with representatives from State governments, public and private child welfare agencies, and child advocacy organizations to identify promising approaches.

SEC. 4. AUTHORITY TO IMPOSE PENALTIES FOR FAILURE TO SUBMIT AFCARS REPORT.

Section 474 of the Social Security Act (42 U.S.C. 674) is amended by adding at the end the following:

''(f)(1) If the Secretary finds that a State has failed to submit to the Secretary data, as required by regulation, for the data collection system implemented under section 479, the Secretary shall, within 30 days after the date by which the data was due to be so submitted, notify the State of the failure and that payments to the State under this part will be reduced if the State fails to submit the data, as so required, within 6 months after the date the data was originally due to be so submitted.

''(2) If the Secretary finds that the State has failed to submit the data, as so required, by the end of the 6-month period referred to in paragraph (1) of this subsection, then, notwithstanding subsection (a) of this section and any regulations promulgated under section 1123A(b)(3), the Secretary shall reduce the amounts otherwise payable to the State under this part, for each quarter ending in the 6-month period (and each quarter ending in each subsequent consecutively occurring 6-month period until the Secretary finds that the State has submitted the data, as so required), by—

''(A) ⅙ of 1 percent of the total amount expended by the State for administration of foster care activities under the State plan approved under this part in the quarter so ending, in the case of the 1st 6-month period during which the failure continues; or

''(B) ¼ of 1 percent of the total amount so expended, in the case of the 2nd or any subsequent such 6-month period.''.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 2003.

Mr. ROCKEFELLER. Mr. President, I am proud to join Senator GRASSLEY and a bipartisan coalition in sponsoring the Adoption Promotion Act of 2003. This legislation will reauthorize and expand on the adoption bonuses created as part of the 1997 Adoption and Safe Families Act.

The Adoption and Safe Families Act stated clearly that a child's health and safety are paramount, and that every child deserves a permanent home. Key policy changes were made to promote permanency, including streamlining the process and creating incentives for adoption. Since 1997, the number of adoptions from foster care increased by 64 percent, and the number of adoptions of children with special needs increased by 63 percent. This is wonderful news for the children and families. But over 500,000 children are still in foster care, and 126,000 of those children have adoption as a goal.

This legislation would reauthorize the existing adoption bonuses, and it would create a new bonus for children over the age of 9 who represent almost half of the children waiting for adoption. The Adoption Promotion Act is an important next step to improving our child welfare system.

In West Virginia, over 900 children have been adopted from the foster care system since enactment of the Adoption and Safe Families Act. This is good news for the children and families, but many more children in my State and across the country are waiting for a safe, permanent home.

Adoption is a wonderful event that changes a child's life and creates a special family. Today, in addition to introducing this legislation, the Congressional Adoption Caucus will celebrate its Angels in Adoption Award, including an award to a very special West Virginian, Millie Mairs, who has worked on adoption issues in my State for almost 30 years at the West Virginia Children's Home Society. Her work has helped to change many lives.

This legislation is key, but it is only part of the puzzle to improving our foster care system which, according to the findings of the Child and Family Service Reviews, needs to be strengthened. As more children move into adoption, especially older children, we must become more aware and respond to the needs for post-adoption services. I hope that future action on child welfare reform will be bipartisan, like the Adoption Promotion Act. It is encouraging to know that the Pew Commission on Children in Foster Care is working to develop recommendations regarding child welfare financing and the role of the courts in child welfare policy. Hopefully, these recommendations can help forge bipartisan consensus for future changes that will enhance the lives of our most vulnerable children, those in foster care.

Mr. INHOFE. Mr. President, I rise today to join my colleagues in introducing this bill to reauthorize the Adoption Incentives Program.

The Adoption Incentives Program was created in 1997 as a part of the Adoption and Safe Families Act to encourage and expedite adoptions for children in foster care.

Under the current program, States are given incentive payments for increased adoptions of all foster children, as well as for adoptions of children with special needs. This reauthorization bill will continue that program, while offering new, targeted incentives for adoptions of older children.

There is an overwhelming need for adoption of foster children. Over 550,000 children are currently languishing in foster care in the United States. Of this number, more than 165,000 are children who will never be adopted.

Only half of the children in foster care graduate from high school and only 11 percent of that number go to college. Within 1 year of leaving foster care, 49 percent of these young people are unemployed and within 3 years of leaving foster care, up to 45 percent have been arrested and almost 75 percent have been arrested at least once.

Providing these children with a permanent, stable family helps them become successful, contributing members of society. I am proud to lend my support to this important legislation that will help give these young people a home.

Mr. BUNNING. Mr. President, I would like the opportunity to talk for a few minutes with my colleague from Iowa about the important role of adoption and foster care. Today, I am proud to be supporting legislation that the Senator from Iowa is introducing to reauthorize the Adoption Incentive Program. This is an important program that encourages States to do all they can to find permanent homes for children in foster care.

Mr. GRASSLEY. I appreciate that the Senator from Kentucky has worked so hard with me on the reauthorization of the Adoption Incentive Program. I also appreciate the lead the Senator took several months ago when he introduced the original legislation to reauthorize this program, which was based on the administration's proposal. This was an important step to help get the ball rolling on this program's reauthorization.

Our legislation builds upon the Adoption Incentive Program created in the Adoption and Safe Family Act of 1997. This bill sets the authorization level for this program at $43 million for each of fiscal year 2004 through fiscal year 2008. Through this legislation, States would continue to be rewarded for all increased adoptions of children in foster care.

States that earn incentive payments for increased adoptions of foster children would also continue to be rewarded for increased adoptions of special needs children. However, the special needs payment would be limited only to adoptions of special needs children who are under age 9 at the time the adoption is finalized.

Senator BUNNING, as you well know, our bill would create a third incentive payment, for each increased adoption of all children in foster care who are age 9 or older at the time of adoption. This is important because children over the age of nine are less likely to find a permanent adoptive home. In fact, the probability that these children never find a permanent home exceeds the probability they will be adopted into a loving family.

Mr. BUNNING. I am pleased that we are continuing the bonuses for States that increase the number of adoptions each year, along with keeping the additional incentive for adoptions of special needs children and providing a new incentive for States to focus on the adoptions of older children.

I am proud to say that Kentucky has also done fairly well under the Adoption Incentive Program over the years, and I am glad we are continuing the program. From 1998 to 2001, Kentucky received $1.6 million adoption incentives. For 2002, the Department of Health and Human Services recently announced that my State will receive $204,000 in adoption incentives.

Mr. GRASSLEY. My home State of Iowa and its child welfare program has also benefited from this program. Last year, Iowa received a payment of $524,000 because of its success in finding children in foster care, permanent homes. Our States' successes underscore the results of this program; adoption incentives are working.

Mr. BUNNING. I am sure the Senator from Iowa will agree with me that we need to make it as easy as possible for loving families to either adopt or become foster parents for children in need. There is nothing more special than a family opening up their home to a child and providing a safe and supportive environment. This is why I have worked on adoption and foster care issues for so long in Congress.

In fact, last year I was pleased that one of my foster care initiatives was passed as part of the 2002 economic stimulus bill. Many families who take in foster care children receive stipends from the placement agency which helps pay for food, clothes and other expenses.

In the past, some of these stipends were tax-free for families, while others were taxable. I didn't feel that was fair, so my provision made all stipends that foster care families receive to be tax free. This provision corrected an inconsistency in the tax code that unfairly punished foster care families and the children for whom they care, and I was happy we could finally correct this problem.

Mr. GRASSLEY. In the recent past, Congress has also taken some positive steps to promote adoption through tax credit. In 2001, as chairman of the Finance Committee, I extended and expanded two important provisions which provide tax relief for adoptive families.

The 2001 tax bill ensured that neither adoption tax credit, nor the exclusion from income for qualified employer-paid adoption expenses expired. In addition, the amount of each of these benefits was doubled—i.e., from $5,000 to $10,000 per qualifying child. Finally, in the case of special needs adoptions, Congress eliminated expense reporting requirements thus ensuring that the families who take special needs children into their homes receive the maximum relief possible under these provisions, while minimizing their administrative burdens.

Mr. BUNNING. I certainly agree with you that the adoption tax credits are good policy, and I am very familiar with them. In fact, back in 1996, I worked as a Member of the Ways and Means Committee to pass the original legislation providing for the tax credits to help families afford to adopt children. We finally got this credit passed as part of the Small Business Job Protection Act which passed over seven years ago. I was very supportive of the provisions in the 2001 tax bill to expand these credits, but would like to take them one step further.

Within the next couple of weeks, I will be introducing legislation to make these tax credits permanent. If we don't eliminate the sunset which was built into the tax bill, then the current maximum credit of $10,000 will be reduced back down to $5,000 in 2010. To me, this seems like a common-sense change that needs to be made.

I introduced a similar bill in the 107th Congress, and I am hopeful that we can get this bill passed before the end of the 108th Congress.

Mr. GRASSLEY. I look forward to working with you on this issue in the near future.

Mr. BUNNING. Finally, I would like to say a few words about the importance of promoting interracial adoptions. In the past, many times there were barriers to families adopting minority children. This isn't fair to the family or the child. That is why in 1996, I pushed for legislation stopping discrimination against minority children in order to make it easier for them to move from foster care into a loving, permanent home.

All of these initiatives are designed to help find permanent or temporary homes for our Nation's children. Today, we are taking another important step by reauthorizing the Adoption Incentive Program, and I hope that we can get this bill through the Senate and onto the President's desk soon.

Mr. GRASSLEY. It is also my hope that we can get this bipartisan bill through Congress and allow it to become law. I would like to thank you, Senator BUNNING, and the other members of the Senate who have worked so hard on this legislation.

By Mr. BINGAMAN (for himself, Ms. CANTWELL, and Mrs. MURRAY):

S. 1687. A bill to direct the Secretary of the Interior to conduct a study on the preservation and interpretation of the historic sites of the Manhattan Project for potential inclusion in the National Park System; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I rise to introduce the Manhattan Project National Historical Park Study Act. This bill authorizes the National Park Service, in coordination with the Secretaries of Energy and Defense, to undertake a special resource study to assess the national significance, suitability, and feasibility of designating various Manhattan Project sites and their facilities as a National Historical Park. Specifically, the study will evaluate the historic significance of the Manhattan Project facilities of Los Alamos and the Trinity Site in the State of New Mexico, of the Hanford Site in the State of Washington, and of Oak Ridge in the State of Tennessee. I am pleased that my distinguished colleagues from the States of Washington, Senators CANTWELL and MURRAY, are cosponsoring this bill.

The significance of the Manhattan Project to this Nation—and indeed the World—would be difficult to overstate. The project was initiated as a desperate effort in the middle of World War II to beat Nazi Germany to the construction of the first nuclear bomb. The effort was of a magnitude and intensity not seen before or since: in a mere three years, 130,000 men and women went to work on a $2.2 billion mission that furiously pushed science, technology, engineering, and society into a new age.

The magnitude of the effort is easily matched by its legacy. This legacy includes an ending to the Second World War, as well as the foundation for nuclear medicine and great advances in physics, mathematics, engineering, and technology. A number of scholars have argued that it also includes a dramatic change to a sustained era of relative world peace. But this legacy also includes the deaths of hundreds of thousands of Japanese, and the sacrifices of the homesteaders that were forced off of the sites to make way for the project, its thousands of workers and their families, and the uranium miners, ''down-winders'', and others. This legacy has been the subject of hot debate for decades, and this debate continues today—as it must.

There are historic facilities at the four Manhattan Project sites that are absolutely essential resources for informing this important debate, and there should be no question that they are of great national and international significance. Pulitzer Prize-winning Manhattan Project author Richard Rhodes has said that ''the discovery of how to release nuclear energy was arguably the most important human discovery since fire—reason enough to preserve its remarkable history.''

But while the enormous significance of the Manhattan Project makes our obligation to preserve and interpret this history abundantly clear, it makes it equally challenging. The greatest challenge has been—and will continue to be—interpreting this history in a sensitive and balanced way. This Nation is blessed with historic assets that praise the best of humanity and some that mourn the worst, some that grace us with glory and some that humble us with anguish, some that impress us with brilliance and some that embarrass us with senselessness, some that manifest beginnings and some that mark ends, some that inspire us with awe and some that fascinate us with curiosities, and some that grip us with the fear of destruction and some that give us the hope of creation. But I don't know of any others that challenge us with legitimate passions for all of these.

Preserving and interpreting this history also includes the challenge of respecting the ongoing missions and responsibilities of the Department of Energy and the Department of Defense at the Manhattan Project sites. Access to some of the historic facilities must be restricted—to some prohibited—and other precautions also may be necessary. The Departments of Energy and Defense have begun to take on these challenges, and they deserve much credit for doing so. The Bradbury Museum in Los Alamos is a good example, as are the biannual tours of the Trinity Site on White Sands Missile Range. They have recognized that preserving this history offers great opportunities not only for the public, but for their employees. Employees who better appreciate this history will be more likely to appreciate their careers, and they certainly will appreciate the boost interested tourists give to their local economies.

This bill asks the question whether we will do better to preserve and interpret the important history of the Manhattan Project by unifying and promoting the various efforts at these sites as a National Historical Park. It is appropriate that our Nation's leader in historic preservation and interpretation—the National Park Service—lead the effort to answer this question. In doing so, they will consult with the Secretaries of Energy and Defense, as well as State, tribal, and local officials, and representatives of interested organizations and members of the public. The Park Service's expertise, experience, and enthusiasm is critical to the endeavor.

In asking this question we are neither celebrating the Manhattan Project nor lamenting it. But we are recognizing our responsibility to society to ensure it is neither forgotten nor misunderstood.

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. 1687

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 ''Manhattan Project National Historical Park Study Act of 2003''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Manhattan Project, the World War II effort to develop and construct the world's first atomic bomb, represents an extraordinary era of American and world history that—

(A) included remarkable achievements in science and engineering made possible by innovative partnerships among Federal agencies, universities, and private industries; and

(B) culminated in a transformation of the global society by ushering in the atomic age;

(2) the Manhattan Project was an unprecedented $2,200,000,000, 3-year, top-secret effort that employed approximately 130,000 men and women at its peak;

(3) the Manhattan Project sites contain historic resources that are crucial for the interpretation of the Manhattan Project, including facilities in—

(A) Oak Ridge, Tennessee (where the first uranium enrichment facilities and pilot-scale nuclear reactor were built);

(B) Hanford, Washington (where the first large-scale reactor for producing plutonium was built);

(C) Los Alamos, New Mexico (where the atomic bombs were designed and built); and

(D) Trinity Site, New Mexico (where the explosion of the first nuclear device took place);

(4) the Secretary of the Interior has recognized the national significance in American history of Manhattan Project facilities in the study area by—

(A) designating the Los Alamos Scientific Laboratory in the State of New Mexico as a National Historic Landmark in 1965 and adding the Laboratory to the National Register of Historic Places in 1966;

(B) designating the Trinity Site on the White Sands Missile Range in the State of New Mexico as a National Historic Landmark in 1965 and adding the Site to the National Register of Historic Places in 1966;

(C) designating the X-10 Graphite Reactor at the Oak Ridge National Laboratory in the State of Tennessee as a National Historic Landmark in 1965 and adding the Reactor to the National Register of Historic Places in 1966;

(D) adding the Oak Ridge Historic District to the National Register of Historic Places in 1991;

(E) adding the B Reactor at the Hanford Site in the State of Washington to the National Register of Historic Places in 1992; and

(F) by adding the Oak Ridge Turnpike, Bear Creek Road, and Bethel Valley Road Checking Stations in the State of Tennessee to the National Register of Historic Places in 1992;

(5) the Hanford Site has been nominated by the Richland Operations Office of the Department of Energy and the Washington State Historic Preservation Office for addition to the National Register of Historic Places;

(6) a panel of experts convened by the Advisory Council on Historic Preservation in 2001 reported that the development and use of the atomic bomb during World War II has been called ''the single most significant event of the 20th century'' and recommended that various sites be formally established ''as a collective unit administered for preservation, commemoration, and public interpretation in cooperation with the National Park Service'';

(7) the Advisory Council on Historic Preservation reported in 2001 that the preservation and interpretation of the historic sites of the Manhattan Project offer significant value as destinations for domestic and international tourists; and

(8) preservation and interpretation of the Manhattan Project historic sites are necessary for present and future generations to fully appreciate the extraordinary undertaking and complex consequences of the Manhattan Project.

SEC. 3. DEFINITIONS.

In this Act:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(2) STUDY.—The term ''study'' means the study authorized by section 4(a).

(3) STUDY AREA.—The term ''study area'' means the following Manhattan Project sites:

(A) Los Alamos National Laboratory and townsite in the State of New Mexico.

(B) The Trinity Site on the White Sands Missile Range in the State of New Mexico.

(C) The Hanford Site in the State of Washington.

(D) Oak Ridge Laboratory in the State of Tennessee.

(E) Other significant sites relating to the Manhattan Project determined by the Secretary to be appropriate for inclusion in the study.

SEC. 4. SPECIAL RESOURCE STUDY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a special resource study of the study area to assess the national significance, suitability, and feasibility of designating the various historic sites and structures of the study area as a unit of the National Park System in accordance with section 8(c) of Public Law 91–383 (16 U.S.C. 1a–5(c)).

(2) ADMINISTRATION.—In conducting the study, the Secretary shall—

(A) consult with the Secretary of Energy, the Secretary of Defense, State, tribal, and local officials, representatives of interested organizations, and members of the public; and

(B) evaluate, in coordination with the Secretary of Energy and the Secretary of Defense, the compatibility of designating the study area, or 1 or more parts of the study area, as a national historical park or national historic site with maintaining security, productivity and management goals of the Department of Energy and the Department of Defense, and public health and safety.

(b) REPORT.—Not later than 1 year after the date on which funds are made available to carry out the study, the Secretary shall submit to Congress a report that describes the findings of the study and any conclusions and recommendations of the Secretary.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Ms. CANTWELL. Mr. President, I rise today as a cosponsor, along with my colleagues, Senators BINGAMAN and MURRAY of the Manhattan Project National Historical Park Study Act.

This bill authorizes a special resource study to determine the suitability and feasibility of developing a national park site at one or more of the facilities that playing a major role in the Manhattan Project—the Federal Government's top-secret effort during World War II to develop nuclear weapons before its opponents, an initiative that changed the course of world history. I believe it is tremendously important for the citizens of our Nation to learn about the important functions the various Manhattan Project sites served in defending our Nation, from World War II through the cold war, and to recognize and understand the complicated and weighty issues arising from the production and use of nuclear weapons, their impact on world history as well as their human and environmental costs.

In January of 1943, Hanford, WA was selected by the War Department to serve as a part of President Franklin Delano Roosevelt's Manhattan Project plan. The site was selected for several reasons: It was remotely located from population centers, which fostered security and safety; the Columbia River provided plenty of water to cool the reactors; and cheap and abundant electricity was available from nearby Federal dams.

The history of this era is a complicated one—as farmers and tribes were displaced, given 30 days to move from their homes in central Washington. By March 1943, construction had started on the site, which covers about 625 square miles. At the time, the priority facility on the Hanford Reservation was the B reactor. Built in just 11 months as American scientists and their allies engaged in what was then perceived as a race with the Germans to develop nuclear capability, B reactor was the world's first large-scale plutonium production reactor.

The need for labor for the project turned Hanford into an atomic boomtown, with the population reaching 50,000 by the summer of 1944. Workers at the sprawling Hanford complex were not even sure of what they were producing, and tales of German rockets used during battles led many workers to believe they were producing rocket fuel. In fact, this secrecy continued even after the atomic bombs were dropped. One worker recalled that many children who lived in the area didn't even know what their parent who worked at Hanford did on the job.

Clearly, the B reactor at Hanford made significant contributions to U.S. defense policies during its production run, from 1944 through 1968. Plutonium from the B reactor was used in the world's first nuclear explosion, called the Trinity Test, in New Mexico on July 16, 1945. B reactor plutonium was also used in the ''Fat Man'' bomb dropped on Nagasaki, Japan on August 9, 1945. The blast devastated more than two square miles of the city, effectively ending World War II. The B reactor also produced plutonium for the cold war efforts until 1968.

The B reactor is simply a stunning feat of engineering. Built in less than a year, the reactor consisted of a 1,200-ton graphite cylinder lying on its side, which was penetrated through its entire length horizontally by over 2,000 aluminum tubes. Two hundred tons of uranium slugs the size of rolls of quarters went into the tubes. Cooling water from the Columbia River, which first had to be treated, was pumped through the aluminum tubes at 75,000 gallons per minute. Water consumption approached that of a city with a population of 300,000. The B reactor was one of three reactors that had its own auxiliary facilities that included a river pump house, large storage and settling basins, a filtration plant, huge motor-driven pumps for delivering the water, and facilities for emergency cooling in case of a power failure. It was the first of an eventual nine nuclear reactors that remain on the banks of the Columbia River—a potent reminder of both the war effort and the environmental burden with which we must contend.

The people of Washington State, and especially the residents of the tri-cities, are proud of their contributions to the World War II and cold war efforts. We are left with these irreplaceable relics of the Manhattan Project—such as the B reactor—which are incredibly important in understanding the engineering achievements that propelled this country into the nuclear age, with all of the complicated moral issues it poses for the possessors of such technology. As the Department of Energy continues its work to clean up the Hanford site, the country's most contaminated nuclear reservation, it is important that we also honor the achievements of the important work done here, as well as commemorate the tremendous sacrifices made by workers, displaced families and tribes, and this era's environmental legacy.

There is already strong support in the communities that surround Hanford for preserving the history of the Manhattan Project, and I would like to commend the B reactor Museum Association and Bechtel Hanford, Inc. for all this work to date. In recent years, they have worked hard to decontaminate, clean, inventory, and spruce up B reactor's interior so that people can walk in to see three chambers. But more work needs to be done if we want to preserve the reactor for future generations, which must learn about the Manhattan Project and its impact on world history.

One such way to do that is to look into the possibility of adding the B reactor as well as Manhattan Project sites in other parts of the country as a new National Park unit.

I look forward to working with my colleagues to ensure passage of this bill, as the study it authorizes is a much-needed first step in determining the best options for preserving this important piece of American history.

By Mr. ROCKEFELLER:

S. 1688. A bill to amend the Internal Revenue Code of 1986 to repeal the exclusion for extraterritorial income and provide for a deduction relating to income attributable to United States production activities, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I would like to draw your attention to a few very troubling statistics. Manufacturing employment in the United States has now fallen to its lowest level in 41 years. In the last five years, we have lost 16 percent of all our factory jobs. In the last 2 years alone we have lost approximately 2.5 million manufacturing jobs.

These are frightening statistics. They ought to jolt every Member of the Senate and prompt an urgent call for action. A vibrant manufacturing base is essential to our standard of living. For generations, factory jobs have been the path to the middle class, providing good wages, health insurance, and pension benefits. Advances in manufacturing technology accounts for most of our economy's increased productivity. And every dollar spent on finished manufactured goods is estimated to produce $2.43 of economic activity. Simply put, we cannot become a service-only economy and expect to maintain our high standard of living. We ought to act swiftly to ensure that Americans still produce steel and computers and cars and pharmaceuticals.

We ought not be timid in the face of the devastating statistics I cited. Piecemeal efforts will not revitalize our industrial base. Therefore, today I am introducing the Securing America's Factory Employment (SAFE) Act. This bill will offer relief to American manufacturers on several fronts. First, my legislation would provide a tax deduction to any company that offers manufacturing jobs in the United States. Second, this bill helps companies cover the cost of providing health care for retirees, a crippling obligation for many of our once proud industries. And third, I propose that we strengthen our trade laws to ensure that they offer the protections that our domestic industries deserve from unfair and illegal trade practices.

Let me take a moment to explain in greater detail how these proposals can help our domestic manufacturing base. This Congress is compelled to repeal the Foreign Sales Corporation/Extraterritorial Income provisions of the U.S. Tax Code in order to avoid $4 billion in trade sanctions authorized by the World Trade Organization. Regardless of my opinion of the WTO's decision in this matter, I recognize that it may be that to protect our economy from a trade war we must update our Tax Code. We can do so and still encourage manufacturing by reducing the overall effective corporate income tax rate on domestic manufacturing.

The SAFE Act provides a 9-percent deduction for profits derived from manufacturing activities in the United States; this is the equivalent of lowering the corporate income tax rate from 35 percent to 32 percent for the portion of profits that can be directly linked to U.S. factories, mining operations, and the like. This straightforward tax break will lower the cost of doing business in the United States and will help companies that employ Americans compete in the global marketplace.

In addition, this bill includes a tax credit to employers to encourage them to retain their retiree health insurance coverage. As you know, employers and other health plan sponsors continue to restructure how they provide health care benefits for both workers and retirees. The percent of employers offering retiree health benefits has declined substantially over the past 15 years. Two-thirds of all firms with 200 or more workers sponsored retiree coverage 15 years ago. According to the most recent data, only 38 percent of such employers provide retiree benefits today. Despite these reductions, the employer-sponsored health care system is the largest source of health care coverage in this country today. The SAFE Act would provide employers with a tax credit to cover 75 percent of the costs associated with providing health care coverage to their retirees in order to protect existing coverage and reverse the current trend.

Finally, my legislation would strengthen our trade protections. Our antidumping and countervailing duty (AD/CVD) trade law are often the first and last time of defense for U.S. industries injured by unfairly or illegally traded imports. These laws are absolutely essential to the survival of our manufacturing sector in an increasingly global market—but some of their provisions have become antiquated by recent changes in our global economy and the new structure of international trade. The Americans steel crisis has made it clear that these trade laws need to be strengthened. Companies, workers, families and communities rely heavily on these laws to prevent the ill-effects of unfair trade. Our antidumping and countervailing duty laws need to be updated and amended so they work as intended, and as permitted, under the rules of international trade.

For example, the SAFE Act includes a provision that allows us to consider whether or not an industry is vulnerable to the effects of imports in making antidumping and countervailing duty determinations. Another provision in this bill will make it tougher for our trading partners to circumvent antidumping or countervailing duty orders by clarifying that AD/CVD orders include products that have been changed in only very minor respects. This will help prevent foreign nations from making slight alterations to products that they are exporting to us to in order to skirt existing AD/CVD orders.

Another clear problem under our current trade laws is that foreign producers and exporters of subject merchandise may avoid AD/CVD duties by using complex schemes that mask payment of countervailing duties resulting in the understatement of duty rates. My legislation would restrict such practices by requiring the importer, if affiliated with the foreign producers or exporters, to demonstrate that the importer was in no way reimbursed for any AD/CVD duties paid. There are certainly other changes we should consider to update our trade remedy laws. These provisions are by no means an exhaustive list of needed reforms. But we do need to get the debate started, and I offer this bill as a way to re-energize the debate.

The SAFE Act addresses several of the most dire needs of our manufacturing companies. It improves our trade laws, helps with the burden of retiree health care costs, and effectively lowers the corporate tax rate on manufacturing activities. This package of reforms is an effective plan to stem the flow of good manufacturing jobs overseas. If we are serious about revitalizing our economy and maintaining our standard of living, we must act quickly to shore up our manufacturing base. I hope that my colleagues will join me in this effort.

I ask that the text of my legislation be printed in the RECORD.

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

S. 1688

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Securing American Factory Employment (SAFE) Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

SEC. 101. REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME.

(a) IN GENERAL.—Section 114 is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1)(A) Subpart E of part III of subchapter N of chapter 1 (relating to qualifying foreign trade income) is hereby repealed.

(B) The table of subparts for such part III is amended by striking the item relating to subpart E.

(2) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 114.

(3) The second sentence of section 56(g)(4)(B)(i) is amended by striking ''or under section 114''.

(4) Section 275(a) is amended—

(A) by inserting ''or'' at the end of paragraph (4)(A), by striking ''or'' at the end of paragraph (4)(B) and inserting a period, and by striking subparagraph (C), and

(B) by striking the last sentence.

(5) Paragraph (3) of section 864(e) is amended—

(A) by striking:

''(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of''; and inserting:

''(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—For purposes of'', and

(B) by striking subparagraph (B).

(6) Section 903 is amended by striking ''114, 164(a),'' and inserting ''164(a)''.

(7) Section 999(c)(1) is amended by striking ''941(a)(5),''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to transactions occurring after the date of the enactment of this Act.

(2) BINDING CONTRACTS.—The amendments made by this section shall not apply to any transaction in the ordinary course of a trade or business which occurs pursuant to a binding contract—

(A) which is between the taxpayer and a person who is not a related person (as defined in section 943(b)(3) of such Code, as in effect on the day before the date of the enactment of this Act), and

(B) which is in effect on September 17, 2003, and at all times thereafter.

(d) REVOCATION OF SECTION 943(e) ELECTIONS.—

(1) IN GENERAL.—In the case of a corporation that elected to be treated as a domestic corporation under section 943(e) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act)—

(A) the corporation may, during the 1-year period beginning on the date of the enactment of this Act, revoke such election, effective as of such date of enactment, and

(B) if the corporation does revoke such election—

(i) such corporation shall be treated as a domestic corporation transferring (as of such date of enactment) all of its property to a foreign corporation in connection with an exchange described in section 354 of such Code, and

(ii) no gain or loss shall be recognized on such transfer.

(2) EXCEPTION.—Subparagraph (B)(ii) of paragraph (1) shall not apply to gain on any asset held by the revoking corporation if—

(A) the basis of such asset is determined in whole or in part by reference to the basis of such asset in the hands of the person from whom the revoking corporation acquired such asset,

(B) the asset was acquired by transfer (not as a result of the election under section 943(e) of such Code) occurring on or after the 1st day on which its election under section 943(e) of such Code was effective, and

(C) a principal purpose of the acquisition was the reduction or avoidance of tax (other than a reduction in tax under section 114 of such Code, as in effect on the day before the date of the enactment of this Act).

(e) GENERAL TRANSITION.—

(1) IN GENERAL.—In the case of a taxable year ending after the date of the enactment of this Act and beginning before January 1, 2007, for purposes of chapter 1 of such Code, a current FSC/ETI beneficiary shall be allowed a deduction equal to the transition amount determined under this subsection with respect to such beneficiary for such year.

(2) CURRENT FSC/ETI BENEFICIARY.—The term ''current FSC/ETI beneficiary'' means any corporation which entered into one or more transactions during its taxable year beginning in calendar year 2002 with respect to which FSC/ETI benefits were allowable.

(3) TRANSITION AMOUNT.—For purposes of this subsection—

(A) IN GENERAL.—The transition amount applicable to any current FSC/ETI beneficiary for any taxable year is the phaseout percentage of the base period amount.

(B) PHASEOUT PERCENTAGE.—

(i) IN GENERAL.—In the case of a taxpayer using the calendar year as its taxable year, the phaseout percentage shall be determined under the following table:

Years:	The phaseout percentage is:
2004	80
2005	80
2006	60.

(ii) SPECIAL RULE FOR 2003.—The phaseout percentage for 2003 shall be the amount that bears the same ratio to 100 percent as the number of days after the date of the enactment of this Act bears to 365.

(iii) SPECIAL RULE FOR FISCAL YEAR TAXPAYERS.—In the case of a taxpayer not using the calendar year as its taxable year, the phaseout percentage is the weighted average of the phaseout percentages determined under the preceding provisions of this paragraph with respect to calendar years any portion of which is included in the taxpayer's taxable year. The weighted average shall be determined on the basis of the respective portions of the taxable year in each calendar year.

(4) BASE PERIOD AMOUNT.—For purposes of this subsection, the base period amount is the aggregate FSC/ETI benefits for the taxpayer's taxable year beginning in calendar year 2002.

(5) FSC/ETI BENEFIT.—For purposes of this subsection, the term ''FSC/ETI benefit'' means—

(A) amounts excludable from gross income under section 114 of such Code, and

(B) the exempt foreign trade income of related foreign sales corporations from property acquired from the taxpayer (determined without regard to section 923(a)(5) of such Code (relating to special rule for military property), as in effect on the day before the date of the enactment of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000).

In determining the FSC/ETI benefit there shall be excluded any amount attributable to a transaction with respect to which the taxpayer is the lessor unless the leased property was manufactured or produced in whole or in part by the taxpayer.

(6) SPECIAL RULE FOR FARM COOPERATIVES.—Determinations under this subsection with respect to an organization described in section 943(g)(1) of such Code, as in effect on the day before the date of the enactment of this Act, shall be made at the cooperative level and the purposes of this subsection shall be carried out in a manner similar to section 250(h) of such Code, as added by this Act. Such determinations shall be in accordance with such requirements and procedures as the Secretary may prescribe.

(7) CERTAIN RULES TO APPLY.—Rules similar to the rules of section 41(f) of such Code shall apply for purposes of this subsection.

(8) COORDINATION WITH BINDING CONTRACT RULE.—The deduction determined under paragraph (1) for any taxable year shall be reduced by the phaseout percentage of any FSC/ETI benefit realized for the taxable year by reason of subsection (c)(2), except that for purposes of this paragraph the phaseout percentage for 2003 shall be treated as being equal to 100 percent.

(9) SPECIAL RULE FOR TAXABLE YEAR WHICH INCLUDES DATE OF ENACTMENT.—In the case of a taxable year which includes the date of the enactment of this Act, the deduction allowed under this subsection to any current FSC/ETI beneficiary shall in no event exceed—

(A) 100 percent of such beneficiary's base period amount for calendar year 2003, reduced by

(B) the aggregate FSC/ETI benefits of such beneficiary with respect to transactions occurring during the portion of the taxable year ending on the date of the enactment of this Act.

SEC. 102. DEDUCTION RELATING TO INCOME ATTRIBUTABLE TO UNITED STATES PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end the following new section:

''SEC. 199. INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

''(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to 9 percent of the qualified production activities income of the taxpayer for the taxable year.

''(b) PHASEIN.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, subsection (a) shall be applied by substituting for the '9 percent' the transition percentage determined under the following table:

''Taxable years beginning in:	The transition percentage is:
2004	1
2005	2
2006	3
2007 or 2008	6.

''(c) QUALIFIED PRODUCTION ACTIVITIES INCOME.—For purposes of this section, the term 'qualified production activities income' means an amount equal to the portion of the modified taxable income of the taxpayer which is attributable to domestic production activities.

''(d) DETERMINATION OF INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.—For purposes of this section—

''(1) IN GENERAL.—The portion of the modified taxable income which is attributable to domestic production activities is so much of the modified taxable income for the taxable year as does not exceed—

''(A) the taxpayer's domestic production gross receipts for such taxable year, reduced by

''(B) the sum of—

''(i) the costs of goods sold that are allocable to such receipts,

''(ii) other deductions, expenses, or losses directly allocable to such receipts, and

''(iii) a proper share of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income.

''(2) ALLOCATION METHOD.—The Secretary shall prescribe rules for the proper allocation of items of income, deduction, expense, and loss for purposes of determining income attributable to domestic production activities.

''(3) SPECIAL RULES FOR DETERMINING COSTS.—

''(A) IN GENERAL.—For purposes of determining costs under clause (i) of paragraph (1)(B), any item or service brought into the United States without a transfer price meeting the requirements of section 482 shall be treated as acquired by purchase, and its cost shall be treated as not less than its value when it entered the United States. A similar rule shall apply in determining the adjusted basis of leased or rented property where the lease or rental gives rise to domestic production gross receipts.

''(B) EXPORTS FOR FURTHER MANUFACTURE.—In the case of any property described in subparagraph (A) that had been exported by the taxpayer for further manufacture, the increase in cost or adjusted basis under subparagraph (A) shall not exceed the difference between the value of the property when exported and the value of the property when brought back into the United States after the further manufacture.

''(4) MODIFIED TAXABLE INCOME.—The term 'modified taxable income' means taxable income computed without regard to the deduction allowable under this section.

''(e) DOMESTIC PRODUCTION GROSS RECEIPTS.—For purposes of this section, the

term 'domestic production gross receipts' means the gross receipts of the taxpayer which are derived from—

''(1) any sale, exchange, or other disposition of, or

''(2) any lease, rental, or license of,

qualifying production property which was manufactured, produced, grown, or extracted in whole or in significant part by the taxpayer within the United States.

''(f) QUALIFYING PRODUCTION PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualifying production property' means—

''(A) any tangible personal property,

''(B) any computer software, and

''(C) any property described in section 168(f) (3) or (4).

''(2) EXCLUSIONS FROM QUALIFYING PRODUCTION PROPERTY.—The term 'qualifying production property' shall not include—

''(A) consumable property that is sold, leased, or licensed by the taxpayer as an integral part of the provision of services,

''(B) electricity,

''(C) water supplied by pipeline to the consumer,

''(D) utility services, or

''(E) any property (not described in paragraph (1)(B)) which is a film, tape, recording, book, magazine, newspaper, or similar property the market for which is primarily topical or otherwise essentially transitory in nature.

''(g) DEFINITIONS AND SPECIAL RULES.—

''(1) TREATMENT OF PASS-THRU ENTITIES.—The Secretary shall prescribe rules for the proper application of this section in the case of pass-thru entities other than cooperatives to which paragraph (2) applies and subchapter S corporations.

''(2) EXCLUSION FOR PATRONS OF COOPERATIVES.—

''(A) IN GENERAL.—If any amount described in paragraph (1) or (3) of section 1385 (a)—

''(i) is received by a person from an organization to which part I of subchapter T applies, and

''(ii) is allocable to the portion of the qualified production activities income of the organization which is deductible under subsection (a) and designated as such by the organization in a written notice mailed to its patrons during the payment period described in section 1382(a),

then such person shall be allowed an exclusion from gross income with respect to such amount. The taxable income of the organization shall not be reduced under section 1382 by the portion of any such amount with respect to which an exclusion is allowable to a person by reason of this paragraph.

''(B) SPECIAL RULES.—For purposes of applying subparagraph (A), in determining the qualified production activities income of the organization under this section—

''(i) there shall not be taken into account in computing the organization's modified taxable income any deduction allowable under subsection (b) or (c) of section 1382 (relating to patronage dividends, per-unit retain allocations, and nonpatronage distributions), and

''(ii) the organization shall be treated as having manufactured, produced, grown, or extracted in whole or significant part any qualifying production property marketed by the organization which its patrons have so manufactured, produced, grown, or extracted.

''(3) COORDINATION WITH MINIMUM TAX.—The deduction under this section shall be allowed for purposes of the tax imposed by section 55; except that for purposes of section 55, alternative minimum taxable income shall be taken into account in determining the deduction under this section.

''(4) ORDERING RULE.—The amount of any other deduction allowable under this chapter shall be determined as if this section had not been enacted.

''(5) COORDINATION WITH TRANSITION RULES.—For purposes of this section—

''(A) domestic production gross receipts shall not include gross receipts from any transaction if the binding contract transition relief of section 101(c)(2) of the Securing American Factory Employment (SAFE) Act applies to such transaction, and

''(B) any deduction allowed under section 101(e) of such Act shall be disregarded in determining the portion of the taxable income which is attributable to domestic production gross receipts.''.

(b) DEDUCTION ALLOWED TO SHAREHOLDERS OF S CORPORATIONS.—

(1) IN GENERAL.—Section 1363(b) (relating to computation of S corporation's taxable income) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by adding at the end the following new paragraph:

''(5) the deduction under section 199 shall be allowed to the S corporation.''

(2) INCREASE IN BASIS.—Section 1367(a)(1) (relating to increases in basis) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) any deduction allowed under section 199.''

(c) MINIMUM TAX.—Section 56(g)(4)(C) (relating to disallowance of items not deductible in computing earnings and profits) is amended by adding at the end the following new clause:

''(v) DEDUCTION FOR DOMESTIC PRODUCTION.—Clause (i) shall not apply to any amount allowable as a deduction under section 199.''

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 199. Income attributable to domestic production activities.''

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) APPLICATION OF SECTION 15.—Section 15 of the Internal Revenue Code of 1986 shall apply to the amendments made by this section as if they were changes in a rate of tax.

TITLE II—EMPLOYER-PROVIDED RETIRED EMPLOYEE HEALTH CARE TAX CREDIT

SEC. 201. TAX CREDIT FOR 75 PERCENT OF EMPLOYER-PROVIDED RETIRED EMPLOYEE HEALTH PREMIUMS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45G. RETIRED EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a qualified employer, the retired employee health insurance expenses credit determined under this section is an amount equal to 75 percent of the amount paid by the taxpayer during the taxable year for qualified retired employee health insurance expenses.

''(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED EMPLOYER.—The term 'qualified employer' means any employer which is eligible for the deduction allowable under section 199 for the taxable year.

''(2) QUALIFIED RETIRED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified retired employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any retired employee and such retired employee's spouse and dependents.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by paragraph (1) of section 9832(b) (determined by disregarding the last sentence of paragraph (2) of such section).

''(3) RETIRED EMPLOYEE—The term 'retired employee' means an individual who has met any years of service or disability requirements under an employee benefit plan of the employer.

''(c) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(d) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified retired employee health insurance expenses taken into account under subsection (a).

''(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2003.''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the retired employee health insurance expenses credit determined under section 45G.''.

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the retired employee health insurance expenses credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45G. Retired employee health insurance expenses.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2003.

TITLE III—AMENDMENTS TO TITLE VII OF THE TARIFF ACT OF 1930

SEC. 301. CAPTIVE PRODUCTION.

Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv)) is amended to read as follows:

''(iv) CAPTIVE PRODUCTION.—If domestic producers transfer internally, including to affiliated persons as defined in paragraph (33), significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, then the Commission, in determining market share and the factors affecting financial performance set forth in

clause (iii), shall focus primarily on the merchant market for the domestic like product.''.

SEC. 302. PRICE.

Section 771(7)(C)(ii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(ii)) is amended by adding at the end the following flush sentence:

''Imports of the subject merchandise may have a significant effect on prices irrespective of whether the magnitude of, or change in the volume of, imports of the subject merchandise is significant.''.

SEC. 303. VULNERABILITY OF INDUSTRY.

Section 771(7)(C)(iii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii)) is amended in the last sentence by striking the period at the end and inserting '', including whether the industry is vulnerable to the effects of imports of the subject merchandise.''.

SEC. 304. CAUSAL RELATIONSHIP BETWEEN IMPORTS AND INJURY.

Section 771(7)(E)(ii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(E)(ii)) is amended by adding at the end the following: ''The Commission need not determine the significance of imports of the subject merchandise relative to other economic factors.''.

SEC. 305. PREVENTION OF CIRCUMVENTION.

Section 781(c) of the Tariff Act of 1930 (19 U.S.C. 1677j(c)) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE.—The administering authority shall apply paragraph (1) with respect to altered merchandise excluded from, or not specifically included in, the merchandise description used in an outstanding order or finding, if such application is not inconsistent with the affirmative determination of the Commission on which the order or finding is based.''.

SEC. 306. FULL RECOGNITION OF SUBSIDY CONFERRED THROUGH PROVISION OF GOODS AND SERVICES AND PURCHASE OF GOODS.

Section 771(5)(E) of the Tariff Act of 1930 (19 U.S.C. 1677(5)(E)) is amended by adding at the end the following: ''If transactions in the country which is the subject of the investigation or review do not reflect market conditions due to government action associated with provision of the good or service or purchase of the goods, determination of the adequacy of remuneration shall be through comparison with the most comparable market price elsewhere in the world.''.

SEC. 307. PROHIBITION ON MASKING REIMBURSEMENT OF DUTIES.

Section 772(d) of the Tariff Act of 1930 (19 U.S.C. 1677a(d)) is amended—

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

(2) by striking the period at the end of paragraph (3) and inserting ''; and''; and

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

''(4) if the importer is the producer or exporter, or the importer and the producer or exporter are affiliated persons, an amount equal to the dumping margin calculated under section 771(35)(A), unless the producer or exporter is able to demonstrate that the importer was in no way reimbursed for any antidumping duties paid; and

''(5) if the importer is the producer or exporter, or the importer and the producer or exporter are affiliated persons, an amount equal to the net countervailable subsidy calculated under section 771(6), unless the producer or exporter is able to demonstrate that the importer was in no way reimbursed for any countervailing duties paid.''.

SEC. 308. EXPORT PRICE AND CONSTRUCTED EXPORT PRICE.

Section 772(c)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1677a(c)(2)(A)) is amended by inserting ''(including countervailing duties imposed under this title)'' after ''duties''.

SEC. 309. APPLICATION TO CANADA AND MEXICO.

Pursuant to article 1902 of the North American Free Trade Agreement and section 408 of the North American Free Trade Agreement Implementation Act, the amendments made by this title shall apply with respect to goods from Canada and Mexico.

SEC. 310. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to determinations made under title VII of the Tariff Act of 1930 that—

(1) are made with respect to investigations initiated or petitions filed after the date of enactment of this Act; or

(2) have not become final as of such date of enactment.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1790. Mr. SCHUMER (for himself, Mr. DASCHLE, Mr. REID, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. LEAHY, Mr. LEVIN, Mr. NELSON of Florida, Mr. KENNEDY, Mr. DURBIN, Mr. BAUCUS, Mr. HARKIN, Mr. BAYH, Mr. HOLLINGS, Mr. BIDEN, Mr. LAUTENBERG, Mr. SARBANES, Mr. BINGAMAN, Mr. KERRY, Mr. WYDEN, Mr. GRAHAM of Florida, Mrs. BOXER, Mr. LIEBERMAN, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 2765, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2004, and for other purposes.

SA 1791. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1689, making emergency supplemental appropriations for Iraq and Afghanistan security and reconstruction for the fiscal year ending September 30, 2004, and for other purposes; which was ordered to lie on the table.

SA 1792. Mr. MCCONNELL (for Mr. SHELBY (for himself and Mr. SARBANES)) proposed an amendment to the bill S. 1680, to reauthorize the Defense Production Act of 1950, and for other purposes.

SA 1793. Mr. MCCONNELL (for Mr. GRASSLEY) proposed an amendment to the bill H.R. 3146, to extend the Temporary Assistance for Needy Families block grant program, and certain tax and trade programs, and for other purposes.

TEXT OF AMENDMENTS

SA 1790. Mr. SCHUMER (for himself, Mr. DASCHLE, Mr. REID, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. LEAHY, Mr. LEVIN, Mr. NELSON of Florida, Mr. KENNEDY, Mr. DURBIN, Mr. BAUCUS, Mr. HARKIN, Mr. BAYH, Mr. HOLLINGS, Mr. BIDEN, Mr. LAUTENBERG, Mr. SARBANES, Mr. BINGAMAN, Mr. KERRY, Mr. WYDEN, Mr. GRAHAM of Florida, Mrs. BOXER, Mr. LIEBERMAN, and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 2765, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2004, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF CONGRESS CONCERNING THE APPOINTMENT OF A SPECIAL COUNSEL TO CONDUCT A FAIR, THOROUGH, AND INDEPENDENT INVESTIGATION INTO A NATIONAL SECURITY BREACH.

(a) FINDINGS.—Congress finds that—

(1) the national security of the United States is dependent on our intelligence operatives being able to operate undercover and without fear of having their identities disclosed;

(2) recent reports have indicated that administration or White House officials may have deliberately leaked the identity of a covert CIA agent to the media;

(3) the unauthorized disclosure of a covert intelligence agent's identity is a Federal felony; and

(4) the Attorney General has the power to appoint a special counsel of integrity and stature who may conduct an investigation into the leak without the appearance of any conflict of interest.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Attorney General of the United States should appoint a special counsel of the highest integrity and statute to conduct a fair, independent, and thorough investigation of the leak and ensure that all individuals found to be responsible for this heinous deed are punished to the fullest extent permitted by law.

SA 1791. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1689, making emergency supplemental appropriations for Iraq and Afghanistan security and reconstruction for the fiscal year ending September 30, 2004, and for other purposes; which was ordered to lie on the table; as follows:

On page ___, between lines ___ and ___, insert the following:

SEC. . (a) The Secretary of Defense shall expand the United States Central Command Rest and Recuperation Leave program to provide a member of the Armed Forces participating in the program with travel and transportation allowances for travel at the expense of the United States between the original airport of debarkation for the member and the member's permanent station or home if the member elects to travel to such destination.

(b) The travel and transportation allowances that may be provided under subsection (a) are the travel and transportation allowances specified in section 404(d) of title 37, United States Code, except that no per diem allowance may be paid to a member for a period that the member is at the member's permanent station or home.

(c) Travel and transportation allowances provided for travel under subsection (a) are in addition to any other travel and transportation or other allowances that may be provided for such travel by law.

(d) This section shall apply with respect to travel under the United States Central Command Rest and Recuperation Leave program that is commenced before, on, or after the date of the enactment of this Act.

(e) In this section:

(1) The term ''United States Central Command Rest and Recuperation Leave program'' means the Rest and Recuperation Leave program for certain members of the Armed Forces serving in the Iraqi theater of operations in support of Operation Iraqi Freedom as established by the United States Central Command on September 25, 2003.

(2) The term ''original airport of debarkation'' means an airport designated as an airport of debarkation for members of the Armed Forces under the Central Command Rest and Recuperation Leave program as of the establishment of such program on September 25, 2003.

(f) Of the amount appropriated under title ___ for the Iraqi witness protection program, $60,000,000 is hereby transferred to the